University of Alberta

Under the Microscope: An Examination of Funding Techniques at a Mexican Institution of Higher Education

by

Elizabeth Ocampo ©

A thesis submitted to the Faculty of Graduate Studies and Research in partial fulfillment of the requirements for the degree of Master of Education

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June 2, 2003

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Faculty of Graduate Studies and Research

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Dr. Dean Neu, Supervisor

Dr. Jose da Costa

Dr. Leiser Silva

May 8, 2003

Abstract

This thesis studies the *accountability paradigm,* which emphasizes the use of financial, informational, and governing techniques as means to achieve control over resources and people's behaviours. I explore the policies derived from such paradigms, the forces that enforce the policies' adoption, the theories regarding financial governance, and the consequences of its incorporation within the field of education. I analyze how financial mechanisms have come to permeate the field of higher education in Mexico. Specifically, the study focuses on understanding: how government policies regarding the financing of higher education have changed over the past decade and how a university interprets and implements the extraordinary subsidy component of government funding.

The analysis suggests that, although the financial policies direct, focus, frame, stimulate, and delimit the activities of the university, they also reduce creativity and flexibility, encourage fictitious compliance, and change the motives for which the people at the university work.

To my fiancé, Christian

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Glossary of Terms

ANUIES: *Asociación Nacional de Universidades e Instuciones de Educación Superior:* National Association of Universities and Institutions of Higher Education: The mediator between university and government, university and private organizations, and university and the exterior. It develops policies and initiatives that reflect the universities' needs.

CA: *Cuerpos Académicos:* Academic bodies: Groups of professors with a similar profile and involvement in research activities. Academic bodies have not necessarily a high academic level and are not very involved in research.

CAC: *Cuerpos Académicos Consolidados (CAC):* Consolidated academic bodies: A term utilized to define a group of professors with a high academic level and strong research involvement. They are also known as a group of professors with a profile of PROMEP which includes a PhD education, full-time contracts, high involvement in academic and research activities, and participation in the projects for extraordinary subsidy.

CIIES: *Comites Interinstitucionales para la Evaluación de la Educación Superior (CIIES):* Inter-institutional Committees for the Evaluation of Higher Education: Includes nine committees of distinguished academics from every region in the country who have the task of evaluating the programs, services, and projects of the universities.

COEPES: *Consejo para la acreditación de la educación superior:* Counselling for the accreditation of higher education.

CONAEVA: *Consejo Nacional de Evaluación:* National Council of Evaluation: an organization whose function is to diagnose, evaluate, and anticipate educational activities in the country.

DES: *Dependencias de Educación Superior (DES):* Departments of Higher Education: In some Universities a DES comprises a faculty, in other universities a DES includes a group of faculties from the same genre of knowledge. FOMES requires the Universities to request money through DES or transversals; thus, the universities request money by developing projects that enclose the DES needs or the needs of the University in general (transversals)

Extraordinary: *Extraordinario.* Subsidy to support the development of universities. The government gives universities resources allocated through extraordinary funds through a meritocratic system.

FAM: *Fondo de Aportaciones Múltiples:* Funding for multiple scholarships, grants, and bursaries.

FIUPEA: *Fondo de Inversión Para Programas Evaluados por Organismos Acreditadores:* Funds of Investment for Programs Evaluated by Accredited Organizations: An extraordinary program of funding for institutions that have received accreditation from the CIIES. Its objective is to provide financial resources for the infrastructure of developed universities in Mexico.

FOMES: *Fondo Para la Modernización de la Educación Superior:* Funds for the Modernization of Higher Education: Provides resources mainly for infrastructure needs, but only for needy universities of Mexico. FOMES and FIUPEA have the same objectives; the difference is that they serve two different types of institutions: needy and already developed.

Ordinary: *Ordinario:* Government subsidy given to the universities by default to satisfy operational needs. These funds are not subject to special rules or applications.

PIFI: *Programa Integral de Fortalecimiento Institucional.* Integral Program of Institutional Strengthening. The PIFI is the program in charge of integrating the activities of all the extraordinary programs of subsidy.

PIFOP: *Programa Integral del Fortalecimiento del Posgrado:* Integral Program of Strengthening of Graduate Programs: Serves the same function as PIFI, but with a specialization of graduate education.

PROADU: *Programa de Apoyo al Desarrollo Universitario:* Program for the Support of University Development: Gives professors economic support for their research projects.

PROMEP: *Programa del Mejoramiento al Profesorado:* Program for Professors' Upgrading and Professional Development: Another program of extraordinary subsidy whose objective is to provide economic support for those professors desiring to upgrade their educational level.

PRONAD: *Programa para la Normalización de la Información Administrativa:* Program for the Normalization of the Administrative Information: The organization in charge of developing systems of accountability for the institutions of higher education.

PRONABES: *Programa Nacional de Becas para Estudios Superiores:* National Program of Scholarships: A program that provides scholarships to pay the school expenses for students who come from low economic conditions.

SEP: *Secretaría de Educación Pública:* Secretary of Public Education: The governmental department in charge of regulating the activities of every public institution of education. It utilizes SESIC to specifically regulate the activities of the system of higher education.

SESIC: *Secretaría de Educación Superior e Investigación Científica:* Secretary of Higher Education and Scientific Research: The organization in charge of regulating the activities of the financial programs and the rest of the organizations that have a task in the higher education institutions of the country.

Transversals: *Transversales:* The other way to develop projects to request FOMES funds. Transversal projects benefit the entire population of the university and are developed by departments such as libraries, computing systems, health, and so on.

CHAPTER 1

INTRODUCTION

For some time in the Western world there have been increasing checks and measures to ensure accountability and fidelity in many fields where money is a necessary commodity. In other parts of the world, however, concepts of accountability are unheard of or, if they are known, are regarded as a distant, inapplicable philosophy to which one must pay lip service. In an effort to better manage financial resources and, in so doing, become more viable in the increasingly internationalized world system, changes that introduce practices of accountability are necessary to meet the desire to develop nations for prosperity and progress.

This study is concerned with a paradigm that recently has been used to manage the system of education around the world and specifically in Central America. Known as the *accountability paradigm,* it emphasizes the use of financial, informational, and governing techniques as means to achieve control over resources and people's behaviours within institutions of education. To truly understand the effect that these techniques have on the system of education, it is important to explore the origins of this paradigm, the new policies derived from such paradigms, the external and internal forces that enforce the policies' adoption, the critical theories regarding financial governance, and the consequences of its incorporation within the field of education.

Surviving the Revolution Through Reforms

For some time, the field of economics has been extending its influence from the realms of commerce and finance into the field of culture. As with other aspects of culture (e.g., religious organizations, museums, heritage groups), the field of education has been greatly affected by the expanding influence of the “financial.” This revolution has seen the passing of power and influence from the hands of governments into the hands of multinational conglomerates and banks. However, because this revolution is fought not on battlefields but in boardrooms and offices, and because the weapons are not swords, guns, or missiles but information technologies, contracts, and dollars, this revolution has gone largely unnoticed.

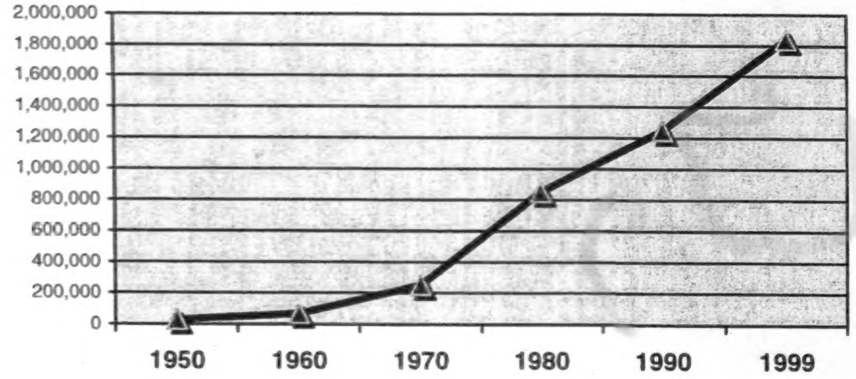
In a day when the most powerful organizations are not governments but multinational corporations and banks, world educational institutions must learn to govern their financial resources in ways that show that they are capable of surviving in the corporate world (cf. Rowan & Miskel, 1999). Administrators in educational institutions must be able to display efficient management capabilities to report accurately how the financial resources available to them are being used. Should these educational institutions fail to adapt, they will likely not survive. Many of the methods and theories regarding educational administration that have hitherto been used are now being second-guessed, and those who refuse to go forward will in all probability be left behind.

Educational funding is an important issue, and the debate surrounding the reform of educational institutions, how they are financed, and how they manage their finances has been going on the world over (Edwards, Ezzamel, & Robson, 1999; Martinez, 2002; OECD, 1997; Whitty, Power, & Halpin, 1998). According to Taylor and colleagues (Taylor, Neu, & Peters, 2001), educational reform has concentrated not only on changing the modes of delivery, but also on changing the modes of control and accountability used to direct and assess system performance (p. 469). Likewise, governments and external stakeholders are demanding that educational institutions provide more reliable information about costs and the use of resources (Kent, Vries, Didou, & Ramírez, 1998). Detailed policies by those who finance education are being created regarding the allocation of resources, and these policies are leading to the implementation of reforms (Rowan & Miskel, 1999).

The Mexican Context

There are many internal and external factors that are forcing the Mexican government to overhaul how education there is financed. For most of Mexico's history the government has financed the entire system of education; thus education was almost free at every level (OECD, 1997, p. 217). Factors such as economics and demographics have unfortunately eliminated the Mexican government's ability to fund the system of education as it once did. Additionally, political factors such as equity and market influences have put pressure on the government to reduce the funding for higher education.

Mexico has always depended on foreign credits to keep its economy afloat; at present the external debt is $156,186M USD (World Bank, 1994). Demographically, the country has had a severe increase in population from 81 million inhabitants in 1990 to 100 million in 2000 (Instituto Nacional de Estadistica Geografia e Informatica, 2002); the demand for higher education has increased almost 70-fold during the last 20 years (Subsecretaria de Educacion Superior e Investigacion Cientifica, 2001b). The following graph (Figure 1) shows the enrolment increase from 1950 to 1999.



33,000 students in 1950 **1,837,900 in 1999**

Figure 1. Evolution of the system of higher education (Asociacion Nacional, 2000).

The massive increase in enrolment has, of course, meant that the costs to maintain the higher education system have increased and that the system of higher education has become more complex and more difficult to administer. The fact that the government funds universities from tax revenue has raised questions of equity, economic priorities, competency, and efficiency.

The issues of equity have arisen because it has been demonstrated that the majority of students attending postsecondary schools are from middle to upper economic classes (World Bank, 1994, p. 2; Chapman & Austin, 2002, p. 16; De Moura & Levy, 2000, p. 16; Orozco Silva, 1996; Rodríguez, 2000; Rodríguez-Gómez & Alcántara, 2001). Thus, public opinion is that students attending public universities ought to pay if they are able, and, furthermore, that students from lower economic levels should receive scholarships or bursaries to lessen or perhaps remove the economic impact of receiving a postsecondary education (Kent et al., 1998; Martinez, 2002).

Influences from outside Mexico (e.g., international funding organizations such as the World Bank, IADB, OECD, etc.) talk about the advantages of having the universities compete in a market in which the students would pay university fees. Thus, the universities would become more efficient organizations with students as clients who would be able to demand better service. The universities would then be obliged to improve in order to meet their clients' demands (Martinez, 2002) in a capitalistic system in which the delivery of education is enhanced through the application of the rules of the marketplace.

Because of student resistance and protest, such as the strike in UNAM (National Autonomous University of Mexico) in 2000, the government has been unable to introduce tuition fees or to overtly reduce funding for public universities (Albornoz, 2002, p. 8). Instead, the Mexican government has introduced a series of financial reforms in an attempt to restructure the higher-education system—reforms that have indirectly reduced the funds allocated to postsecondary institutions (Rubio, Silva, & Torres, 1998).

Economic restrictions have also pressured the country to be more concerned with how scarce financial resources are spent. Prioritising is the strategy proposed to the government to meet demands at the basic levels of education before those of higher education. Economic restrictions have forced the universities to compete, with each arguing that it is more deserving of funds than the others (OECD, 1997). The guidelines and expectations are clear (OECD, 1997; Rubio et al., 1998), and this method of distribution allows all institutions an equal opportunity to compete for the allocation of funds, with the implicit requirement of accountability.

The Mexican Funding System

A Mexican university receives subsidies from the federal government, the state governments, and its own institutional activities.[1] Likewise, federal and state governments gather their funds from taxes and by borrowing from external countries or organizations.

The government subsidies are divided into three categories: ordinary, career expansion, and extraordinary. The ordinary resources are to be spent on categories such as salaries of professors and administrative staff, and operational expenses such as facility maintenance. The federal and state governments are obliged to allocate ordinary resources; the only requirement is an analysis and calculation of the costs included in this category of expense (Asociacion Nacional de Universidades e Instituciones de Educacion Superior, 2001).

The intent of the career expansion funds is to develop higher education through joint planning between universities and governments. The expenses associated with this category are the construction of new facilities, the buying of new equipment, the salaries of new personnel, and the maintenance costs of running the school. Career expansion funds are also under the responsibility of the state and federal governments.

The extraordinary resources are financed mainly by the federal government to support activities such as teaching and research, with the purpose of increasing the quality of education. However, this resource is not directly distributed by the governments to the universities. Instead, the government has developed a system of funding through nine special programs managed by the SESIC (Subsecretaria 2001b). Universities then are evaluated and their competency is determined; the university that best adapts its strategies to the financial policies promoted by these programs gets the funding.

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[1] Internal funding is obtained through fundraising activities with civil and industrial communities and from student fee payments and other services.

My belief is that the institutions of higher education transform themselves to accommodate the demands of the chosen program in order to obtain the money; however, such transformation does not always occur as the government agencies expect. My goal in this study is to explore how some of the members of the University of Knowledge, a Mexican public university that will be the case to study in this thesis, interpret the financial policies of the FOMES/PIFI, a government funding program for institutions of higher education in Mexico. My expectation is that studying a particular case will enable me to explain the processes of policy implementation and adaptation.

Although a program from the extraordinary subsidy will be the focus of this study, the other two types of subsidies will also be considered because of important links between the subsidies. I will consider these funding sources and how they function in more detail in Chapter V.

Why Financial Programs?

Three beliefs in the literature about Mexican universities enhance the legitimacy of funding programs in Mexico. The first is that Mexican public universities have organizational problems stemming from inefficiency, corruption, and sometimes chaos (Kent et al., 1998); therefore funding programs not only distribute funds but also provide incentives to reorganize the universities' tasks, with the intention of eliminating the organizational problems. The second belief is that the universities are not efficiently accomplishing their main objectives of teaching, conducting research, and developing relationships with the external community (Kent et al., 1998; Martinez, 2002). Funding programs are intended to provide vision, direction, and method to universities in achieving their objectives, while at the same time facilitating the subsequent evaluation of the universities' performance by implying parameters of work. The last belief is that the universities depend too much on government resources in a time of budgetary restrictions. Economic restrictions are evident even in the international sphere where governments provide a shrinking percentage of the total funding received by universities (Martinez, 2002).

Research Questions and Their Descriptions

The reforms that the Mexican system of higher education is undergoing and the consequences of the changes give rise to crucial questions regarding the interrelation between government funding policies and the day-to-day operation of universities. Through the examination of a particular case—the University of Knowledge—I have explored and attempted to understand the consequences of extraordinary funding policies. Specifically, the current study focuses on understanding and addressing the following questions:

1. How have government policies regarding the financing of higher education changed over the past decade?
2. How is the University of Knowledge interpreting and implementing the funding policies of the extraordinary subsidies?

By exploring and analysing the changes that have occurred in matters of funding during the last decade, I shed light on how financial policies have affected the field of higher education and on the direction in which the government is focusing education, while exploring how the University of Knowledge is interpreting and implementing the funding policies. I also put into perspective how the university is internalizing and practicing the new policies proposed by the government and show the consequences of their utilization.

To approach the aforementioned themes and inquiries, in the interests of brevity and quality I have focused my analysis on Mexico and on a specific Mexican university that I call the University of Knowledge. I have used the financial policies of the FOMES/PIFI to provide a basis for the theories and analyses of the phenomenon produced in adopting this paradigm.

The Questions' Transcendence

Analyzing the impact of financial mechanisms in education is an important task not only for Mexican universities but also for universities all over the world. Universities and other institutions around the world (e.g., hospitals, museums, churches, non-profitable organizations) have incorporated the paradigm of accountability as a tool to direct their activities. These institutions have seen the benefits of utilizing financial techniques not only as tools of accountability but also as tools of government, control, and transformation. Consequently, these techniques have become popular, and their potential for success is leading administrators from various fields to implement them to direct the activities within those fields. Some researchers have undertaken the task to investigate the effect of financial policies in other countries and other fields such as art

(Oakes, Townley, & Cooper, 1998), K to 12 education (Neu, Peters, & Taylor, 2001), and ecology and environment (Everett & Neu, 2000). The Mexican system of higher education has also been the centre of a research project analysing the effects of incentives in higher education (Izquierdo, 2000). Izquierdo solely examined the efficacy of incentives, and although my research builds upon his work, it is less concerned with incentives than with how various types of financial mechanisms are used in the Mexican system of higher education, specifically concentrating on one financial program. Financial mechanisms are gaining interest around the world because institutions are relying increasingly on them; therefore the effects that they are having on society and the population are far reaching, making the analysis of financial mechanisms relevant and important.

How Are the Questions Being Addressed?

I have organized this thesis into seven chapters. The second chapter is a literature review that comments on the perspectives of authors who have studied the context of financial policies in Latin American institutions of higher education. While describing the situation of the higher education system in Latin American countries, I specifically emphasize Mexican universities. In Latin America economic conditions make the countries dependent on external organizations—organizations that are the main promoters of the application of financial policies—a circumstance that has led me to scrutinize their involvement and role in Latin America.

I have chosen to focus on Latin American countries because I believe that globalization practices (Neu, Ocampo, Garcia, & Flores, 2002) and the economic and cultural similarity of these countries have driven the international organizations involved in education to homogenize (DiMaggio & Powell, 1983) the styles of management used in Latin American. By focusing my study on these countries, I emphasize the transcendence and consequences of financial policies and show how they affect not only Mexico, but also the other countries of Latin America.

The third chapter is a review of the literature based on theory. It was crucial to the study to examine the theme of financial mechanisms through a theoretical perspective. I know that the theme of governance and the utilization of financial mechanisms to achieve it has been a matter of interest to different theorists. With an analysis of their perspectives, I discuss how financial mechanisms are supposed to work and the consequences of their utilization. Such perspectives serve as a basis to situate my analysis of the experiences of the University of Knowledge within a broader context.

The fourth chapter includes the method used to address the questions of this study. In it I describe the characteristics of the current research, the method to obtain field information, the type of tools utilized to access the participants of the study, and the type of tools to analyse the information gathered at the University of Knowledge. A description of the participants' characteristics and their roles in the University of Knowledge is also included in this chapter. By describing the participants' characteristics, I intend to contextualize the analysis of the field information.

My discoveries while researching documents are included in the fifth chapter, which describes the use of financial techniques through a description of current financial policies of FOMES/PIFI, using FOMES official documents. This chapter demonstrates the existence of financial techniques in the setting under study, describes the policies of FOMES/PIFI, and claims that educational institutions have placed increased confidence on accountability techniques to direct their activities, while demonstrating the tendencies of financial government strategies within the selected program. Introducing the field data analysis, this chapter also serves to set the basis and themes that will later be analysed from the participants' perspectives.

The sixth chapter analyses the empirical information obtained from the six participants of this study who provided their experiences regarding the financial policies of the selected financial program. It tests and contrasts the perspectives of the theories and policies with the experiences of the people involved in their application and analyses the expected and unexpected consequences of the financial polices from the participants' perspectives.

Finally, the seventh chapter provides concluding comments, analysis of the research limits and implications for future research. In this chapter I include recommendations and suggestions for future policy development and application based upon the literature, theories, and experiences used to complete this study.

CHAPTER 2

LITERATURE REVIEW

After defining the purpose, background and relevance of this study and the research questions, I will proceed to describe the current characteristics of the higher educational system in Latin America with a special focus on the Mexican system. In order to achieve this, a literature review was undertaken that included mainly articles written by Mexican authors and reports and evaluations of education by international organizations that provided technical and financial support.

A description of the system of higher education is necessary because the university in question is a public institution, and differentiating between the public and private institutions will lead to a better understanding of how the funding processes work for the University of Knowledge. Another point to consider about the characteristics of the system of higher education is that in the discussion of the empirical material for this study, the participants mentioned characteristic elements of the system of higher education. Consequently, having information to contextualize the system of higher education helps one to understand the culture under which the financial projects are developed.

Similarly, this chapter reflects institutional homogenization (DiMaggio & Powell, 1983) as a consequence of global practices because the strategies, systems, structures, and the current observations of the institutions of higher education within Latin America are almost the same despite the differences between countries. This topic will be further discussed in the third chapter.

This chapter does not attempt to provide full descriptions of the educational systems of particular countries, but instead identifies general critical issues of the Latin American education system through a description of the background and context of higher education, the current higher education system, the types of institutions of higher education in Latin America (public universities, private universities, and non-university institutions), an explanation of internal and external perceptions, definitions of the condition of higher education, and an explanation of the participation of multilateral organizations.

Background and Context

The literature on Latin American higher education described a system that has been and is being subjected to a series of reforms. These reforms, which cover all areas and most aspects of education in Latin America, tend to involve primarily the categories of finance, policy, and demography (Chapman & Austin, 2002, p. 3).

Politically, because of new or newly noticed pressures from both within and without, the roles and requirements of the governments and the students—those who used to be the primary participants and the groups with the most influence—are being changed. Such external participants as international organizations or multilateral conglomerates are becoming more important in matters of political decisions and decisions about educational policies and procedures, and these organizations and conglomerates are superseding the roles of governments, university authorities, unions, teachers, and students as primary policy makers. Once the main source of revenue for the postsecondary level of education, the governments now are adopting strategies to transfer this responsibility into the hands of other groups. Chapman and Austin (2002) commented that "government and education leaders across much of the developing world are intensively engaged in a search for more creative (and presumably less expensive) ways to extend and improve higher education" (p. 3). At one time the beneficiaries of a wholly subsidized education, the students, who have come to believe that a free education is their right as citizens in their country, are now being asked to assume responsibilities in covering the expenses of their education (World Bank, 1994, p. 45).

Also in question are the concepts and theories regarding returning the university to the public. The university was perceived as one of the main impetuses for the economic development of the countries. Chapman and Austin (2002) commented:

> During the 1960s and 1970s the development of higher education was viewed as a national priority across much of the developing world. In support of emerging nations' priorities, national governments and international assistance organizations made substantial investments in higher education through the developing world. (p. 5)

The idea of professionals propelling the development of the countries is based on the idea that the professionals trained in the universities would inspire and support a healthy economy, which led to the total subsidization of higher education.[2] Indeed the current debate points out that such a theory contributes to social stratification, that the economy improves for only small groups of the society (Chapman & Austin, 2002, p. 5; Kent et al., 1998). Authors of analytical studies that questioned who benefits from the free higher education in Latin America reached a consensus that the students from middle to upper income levels benefit to a much greater degree than do those from lower income levels, even though the lower income levels contribute as well through the payment of their taxes to this social expenditure (World Bank, 1994, p. 2; Chapman & Austin, 2002, p. 16; De Moura & Levy, 2000, p. 26; Orozco Silva, 1996; Rodríguez, 2000; Rodríguez-Gómez & Alcántara, 2001).

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[2] In a document released by the World Bank in 1995 titled *La ensenanza superior: Las lecciones derivadas de la experiencia*, the World Bank claimed that there are economic reasons for the states to continue funding postsecondary education, but by funding higher education entirely, governments are 'exceeding' their responsibility and are actually doing their economy more harm than good (p. 10).

Regarding the issue of demography, the statistics of UNESCO, as used by Balán and Trombetta (1996), show that enrolment in Latin American higher education from 1950 to 1990 increased from 270,000 to 7 million. Such an increase greatly exceeded the expectation and the capacity for the governments to fund, administer, and supply the infrastructure necessary to provide a quality education to the new students (Ornelas & Post, 1992, p. 281). Although the World Bank believed that the massive increase in enrolment at the postsecondary level is due to oversubsidizing by the governments (Balan & Trombetta, 1996, p. 2), it is important also to acknowledge that enrolments have increased, in part, because of the population growth. Table 1 shows the relationship between population, enrolments and enrolment rates for Latin American countries.

Chapman and Austin (2002) summarized the issues discussed above: "There is a general tension and sometimes a direct trade-off, among the political necessity to expand enrolments, the moral imperative to increase equity, the educational desire to raise quality and the overwhelming need to control costs" (p. 4).

The World Bank's aforementioned belief demonstrates its inclination toward private systems of education. These types of comments exert pressure on the government to reduce the funding for public universities. Throughout World Bank reports there are overwhelming opinions against public higher education, some meritorious, but others clearly exaggerations that display biases toward privatization.

Table 1

Enrollment in Higher Education 1994

Country	Enrolment (thousands)	Population (thousands)	Enrolment rate
Argentina	1,054	2,711	38.9
Bolivia	154	676	22.8
Brazil	1,661	14,508	11.4
Chile	327	1,231	26.6
Colombia	561[a]	3,197	17.6
Costa Rica	84	285	29.3
Cuba	176	1,118	15.8
Dominican Republic	113	747	15.1
Ecuador	213	1,082	19.7
El Salvador	108	565	19.1
Guatemala	113	919	12.3
Honduras	54	507	10.6
Mexico	1,304	9,452	13.8
Nicaragua	42	375	11.2
Panama	70	252	27.6
Paraguay	53	429	12.3
Peru	643	2,274	28.3
Uruguay	75	250	29.9
Venezuela	601	1,915	31.4
Total	7,405	42,493	20.7[b]

a. Data are for 1993.
b. The regional average is a little high because it is a nonweighted average of the country averages.
(Garcia Gaudilla, 1996, p. 270); CEPAL (1994)

In reading the history of changes in Latin American higher education, one must keep in mind that above the governments are financial organizations such as the World Bank, UNESCO, IADB, OECD, and ECLA that have utilized very specific financial strategies to bring about change (Rodríguez-Gómez & Alcántara, 2001). These strategies have expanded the influence of the organizations, bringing with them practices to the field of education that traditionally would belong to the field of finance (Neu, Ocampo, Graham, & Heincke, 2002), consequently influencing and changing the practices of the field of education not only in Latin America, but also all over the world (Taylor et al., 2001, p. 2).

Current Situation

While World Bank reports and some of the literature on Latin American higher education have included the Caribbean together with Central and South America, this chapter will focus on Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, the Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela, which all have similar educational systems (De Moura & Levy, 2000); Latin America Network Information Center (2002).

It is important to describe the different types of universities because of the political interrelations that the latest financial policies have created among all of the institutions of higher education. It has been discussed at the governmental level whether or not the government should subsidize private universities. Such debates encourage comparisons and descriptions of the different types of institutions of higher education. Including other types of institutions in conversations about funding is probably a response to a political trend that encourages the creation of egalitarian systems. Therefore, although this study is concerned with public higher education, it is necessary to describe the other types of institutions to provide a context through which one can better understand the political reasons for the latest changes.

Another reason to describe the system of higher education is that the description will serve to contextualize the current research. Such contextualization is useful not only for clarification but also for transferability. In order to make the findings of the study transferable, the reader will need to know more details about the type of university with which this study is concerned.

Over time there have been many ways of classifying the types of postsecondary educational institutions used in the various literature. The most accepted classification in the current literature is as follows: public universities, private universities, and non-university institutes such as polytechnical or technological schools, technical institutes or schools, and teacher-training colleges (De Maura & Levy, 2000, p. 48; World Bank, 1994, p. 31). However, another classification offered by Luis Orozco Silva (1996) groups the institutions of higher education by their size and complexity level. Yet another classification of universities is by their financial sources (public or private) and by the types of careers that these universities offer.

Public Universities

Public universities for example, offer all types of careers and specializations at the undergraduate and postgraduate levels, including those from the natural fields; this is a major point of differentiation between public universities and other types of institutions. Furthermore, in the non-public universities the teachers primarily teach, whereas in public universities the teachers not only teach, but also often conduct research (Balán & Trombetta, 1996).

In this same classification, public universities have three groups of teachers: those who work full time, those who work part time, and those who work by course (De Maura & Levy, 2000, p. 26). Full-time teachers are involved in the actual running of the university and must attend meetings, plan curricula, and be wholly devoted to their jobs as teachers. (These full-time professors enjoy special incentives of the institution such as belonging to a union, expressing their ideas, paid vacations, permissions and health insurance, and opportunities to compete for the incentives of the institution (Orozco Silva, 1996, p. 69). On the other hand, teachers who are on a half-time and by-course basis need not attend meetings or participate in planning, and can easily have other jobs if they wish. In fact, statistics show that more than 50% of the teachers in Latin American fall under the category of half-time and by-course contracts, as shown in Table 2. A further differentiation occurs, however, between half-time and by-course instructors: If the half-time professors are unionized, they also enjoy these benefits and sometimes are required to participate in the running of the universities, whereas by-course professors do not receive any of these benefits and are not committed to participate in the university decision processes.

Private Universities

The funding of private universities is another important issue. Some governments in Latin America have created regulations preventing private universities from receiving any funding from the public sector (e.g., Argentina, El Salvador, Mexico). In the rest of the countries there is some flexibility permitting the mixing of private funds with public (Kent, 1993, p. 74). However, even in the case of Mexico, as we will see in the subsequent analysis, there has been a blurring of these differences through the use of financial mechanisms.

Table 2

The Number of Professors, by Time Commitment, 1994

		Public				Private			
Country	Year	Full time	Half time	By course	Total	Full time	Half time	By course	Total
Argentina[a]	1992	11,550	21,498	68,203	101,251	--	--	--	--
Brazil	1994	52,863	22,422	--	75,285	9,118	57,079	--	66,197
Chile[b]	1994	7,537	2,175	6,802	16,514	--	--	--	--
Colombia	1993	9,805	2,312	8,382	20,499	4,376	2,085	29,263	35,724
Costa Rica	1994	1,524	528	1,229	3,281	894	310	721	1,925
Cuba	1994	23,339	--	782	24,121	--	--	--	--
El Salvador	1994	1,558	445	222	2,225	382	611	2,827	3,820
Honduras	1994	2,151	258	793	3,202	231	184	238	653
Mexico	1994	40,603	12,765	92,001	145,369	4,123	2,276	24,199	30,598
Nicaragua	1994	1,329	322	490	2,141	290	52	201	543
Panama	1994	1,459	--	2,337	3,796	44	4	321	369
Peru	1995	6,854	4,629	6,702	18,185	213	1,793	6,688	8,694
Uruguay[c]	1995	976	3,072	3,057	7,105	--	--	--	--
Venezuela	1995	13,004	1,823	3,976	18,803	--	--	--	--
Total		174,552	72,249	194,976	441,777	19,671	64,394	64,458	148,523

a. Only universities
b. Only for the 25 universities with direct state aid
c. Includes only the Universidad de la Republica
Note: There are no data available for Bolivia, the Dominican Republic, Ecuador, Gatemala, and Paraguay
(Garcia Gaudilla, 1996, p. 279)

Private universities[3] can be classified by the rate of tuition fees they charge: high, medium, and low; this stratification of tuition is related to the class of student attending. Similarly, Daniel Levy (1990), in his study "Private Higher Education Worldwide," classified the private universities by their socioeconomic status and academic quality or prestige: elite or non-elite, high or low (p. 14). The quality of the expensive private universities is usually superior to that of most public universities and the rest of the universities of their kind (Kent, 1993, p. 74).

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[3] It is important to emphasize that private institutions in Latin America are difficult to classify as purely private because in some instances they receive funding from both the private and public sectors. Among all of the Latin American countries, Cuba is the only one that does not have private institutions of higher education, which is to be expected because of its economic and government system. In the rest of

Politically, the authorities have autonomy to make decisions over the professors and their functions. In regard to this, Levy (1990) wrote, "Compared to the public boards, private universities represent narrower constituencies, and members are not government-appointed. Professors and students participate far less in private than public governance" (p. 27). This, however, does not mean that they are immune to low quality, and, according to De Moura and Levy (2000), "even the stronger private universities tend to be rather small, narrow in scope, and marginal to basic research and advanced education" (p. 25).

Private universities with fees in the more moderate range typically have programs very much like those of the public universities, with stricter requirements for fulfillment.[4] Some of the professors who work in private universities also work in public universities on a per-hour basis, but in the private system they have less flexibility and autonomy to manage their classes. As in the most expensive schools, the students at this level have considerable power in the decision-making processes of the university.

The low-cost universities that began to appear toward the end of the 1980s and 1990s (Levy, 1992; OECD, 1997, p. 16) tend to be less complex in the sense that they are usually smaller, offer fewer degrees, and seldom offer graduate-level degrees. They offer

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the countries the international tendency to privatize education is easy to see in the higher education system because of the large number of private schools (Levy, 1990, p. 2).

[4] Professors at public universities have a right called *libertad de catedra* (professorship freedom), which allows them flexibility to change the content of their classes and the methods of evaluation (OECD, 1997). Private universities are very straightforward.

careers only within the humanities for two primary reasons: First, they lack the resources to build and maintain the types of facilities needed for these careers (Levy, 1992, p. 34); and, second, most of them are for-profit organizations, and because the demand is mostly in the humanities areas, they try to respond to the students' (their clients') desires (Kent, 1996; Levy, 1992, p. 17; OECD, 1997). These universities do not often engage in research because professors with bachelor's-level educations do not usually have the experience or training to do proper research. The professors require only bachelor's degrees and in general are very young, or they tend to be professionals who have jobs in other fields, but for them teaching is a hobby or a representation of their involvement in public institutions of higher education. The careers in this type of university are shorter, with professors usually teaching for a limited number of hours (Kent, 1993, p. 74). These types of universities have earned the derogatory title of "professional factories" (Balan & Trombetta, 1996, p. 393). De Moura and Levy (2000) expressed their concern about this type of university: "The majority of the private institutions, especially the newer ones, exhibit profound weaknesses that should preoccupy the citizenry and policy makers" (p. 15). Universities in this category act as "sponges," collecting students who were not admitted to public universities (Balán & Trombetta, 1996, p. 393; De Maura & Levy, 2000, p. 14; Levy, 1990, pp. 15-17). As well, because students do not need to face entrance exams and because their academic history is of minimal consequence, universities admitting such students are seen as a haven for those who would otherwise not be able to attend university because of academic incompetence[5] or because of a lack of connections, a practice that De Moura and Levy called "preferential admission" (p. 23).

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[5] They have not passed the admissions exams that public and more expensive private universities use to select their students.

Non-university Institutes

Non-university institutions are polytechnical institutes, technical schools, and teacher-training schools. The non-university institutions are also classified into public and private institutions, with the aforementioned described characteristics. Besides their economic source (private or public), non-university institutions are different in that they are situated on the peripheries of the cities; and, with the exception of teacher-training colleges, they offer careers that are more focused on the technical areas (Kent, 1993, p. 74). Their geographic location helps to satisfy the demands of the rural areas, which include students from minority groups and those who are more economically disadvantaged (World Bank, 1994, p. 35). In regard to their academic offerings, technical and polytechnic institutes have an industrial focus. They are directly linked to industry's demands, and some of them even receive funding from enterprises or factories. The teacher-training schools, however, have a pedagogical focus. Their offerings are limited in order to satisfy K-12 educational needs, and they therefore have specializations for each of the subjects that would be taught at these levels (OECD, 1997).

The advantages of non-university institutions are that they have a lower cost due to the brevity of their programs, they have lower dropout rates,[6] they respond better to the market demands, and they help to satisfy the demands of bigger enrolment better than do the universities (World Bank, 1994, p. 34).

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[6] The dropout levels increase the expenses per student because within the system of higher education in Latin America students do not accumulate credits; if the students do not finish their career at once or fail to pass a certain number of subjects, they have to start again. The system also allows little flexibility in that transfer systems do not exist, which makes it difficult to change university or program.

Statistical Changes in Higher Education

The statistics indicate that the number of universities has also increased tremendously in Latin America. In 1950 there were 27 institutes of higher education (private, public, and non-university); in 1994 there was a registration of 319 public universities, 490 private universities, and 4,626 non-universities (public and private) (Balán & Trombetta, 1996, p. 388; De Maura & Levy, p. 16). See Table 3 for the statistics concerning the number of universities per country.

Since 1980 private universities and non-university institutions have received a great deal of legal support from the governments and academic support from the public universities. For example, Levy (1990) comments that "New privates are sometimes created with fixed terms of dependency on existing universities; . . . private curriculum is tied to public curriculum, and even exams, degrees, or the very right to exist depend on a national university" (p. 30). This non-financial support means that the governments officially recognize the universities as institutions of higher education and that in each country the state regulates and ensures that the universities meet their mandate as educational institutions through regular evaluations (Ornelas & Post, 1992, p. 8). Each university that passes the evaluation receives from its government a registration and approval number to prove that the state has evaluated it and accepted its credentials. Each university is then socially legitimated and may start recruiting students.

The mechanisms of governmental registration encouraged the opening of many universities in the private-low-fees classification, in part because of the simplicity of their

Table 3

The Number of Higher Education Institutions, by Type, 1994

	Polytechnic institutes and universities			Technological and other institutions			Teacher training institutes				
Country	Public	Private	Total	Public	Private	Total	Public	Private	Total	Other instit.	Total
Argentina	37	42	79	--	--	--	--	--	--	1664	1753
Bolivia[a]	12	23	35	21	--	21	23	2	25	--	81
Brazil	68	59	127	5	10	15	155	349	504	205	851
Chile	25	45	70	--	73	73	--	127	127	--	270
Colombia	51	96	147	16	33	49	--	--	--	62	258
Costa Rica	4	20	24	68	207	275[b]	--	--	--	--	299
Cuba	7	--	7	9	--	9	12	--	12	7	35
Dominican Republic	1	24	25	--	6	6	--	--	--	4	35
Ecuador	15	8	23	42	75	117	31	3	34	--	174
El Salvador	2	44	46	15	6	21	2	--	2	4	73
Guatemala	1	5	6	--	1	1	1	1	2	--	9
Honduras	2	4	6	--	1	1	1	--	1	3	11
Mexico	39	49	88	110	--	110	215	111	326	146	670
Nicaragua	4	7[c]	11	--	3	3	--	--	--	--	14
Panama	3	13	16	1	4	5	--	--	--	--	21
Paraguay	3	12	15	--	--	--	23	14	37	20	72
Peru	28	25	53	228	212	440	119	65	184	--	677
Uruguay	1	1	2	--	--	--	3	--	3	16[d]	21
Venezuela	17	15	32	26	16	42	--	1	1	39	114
Total	320	492	812	541	647	1188	585	673	1258	2180	5438

a. 1995
b. 176 of these are not recognized by the Ministry of Education.
c. Two of these are private with state aid.
d. One of these has 25 campuses that have not been counted.
(Garcia Gaudilla, 1996b, p. 266)

requirements as well as because of the legal support from the government. Therefore, from the 1980s to the 1990s there was a large dissemination of private universities; they appeared even in private houses, and their low quality was not a concern for authorities and governments, who were satisfied to have this type of institution to help diversify and support the expense of education (Kent, 1996).

As previously indicated, the governmental legal support stimulated a massive increase in the number of private institutions; in addition, public universities did not grow at the same rate as did the population, resulting in the limited capacity of these universities to respond to the demands of the increasing population. Millions of students were absorbed by the private universities. The affordable tuition rates, the shorter length of the programs, and the minimal admission requirements made the private-low-rate universities popular and successful businesses (Kent, 1996).

In discussing external organizations and governments, Bank (1994, p. 34), for instance, used the example of the "success" of private universities to examine issues of efficiency and to compare their performance with that of the publics, while neglecting to explain that there is a classification of private universities and that the non-elite universities face other type of problems such as low prestige, limited offers, unemployment or underemployment of their alumni, and the lower economic base from which enrolment bodies are drawn, all of which result in a disparity between the work demands and the professional capabilities of their alumni (Levy, 1992, p. 33).

State of Crisis

Implicit within the literature on the current state of Latin American higher education is an assumption that the system is not working appropriately. Many authors agreed that there is a crisis in the public higher education of the developing world (including Latin America) and provided reasons to support their claims. Some of these reasons[7] are as follows:

1. Higher education depends too much on government fiscal funding in a time of economic restrictions (De Moura & Levy, 2000; Kent et al., 1998; World Bank, 1994).
2. The institutions have had dramatic fiscal adjustments (i.e., cuts) happening at the same time as enrolment increases (Kent, 1996).
3. There is unsustainable growth in enrolment (Ornelas & Post, 1992, p. 280).
4. Higher education is elitist, and although the poorest people tend not to enrol, they subsidize the education of the rich (Kent, 1996).
5. The use of resources is inefficient because of poor planning and corruption (Ornelas & Post, 1992, p. 280).
6. There are very high dropout rates, in part because of an inflexible credit and program transfer policy (Kells, 1996).
7. Because of the lack of money to pay appropriate salaries, there is a lack of qualified personnel (Kent, 1996).
8. The system is not structured to provide a decent retirement salary for professors, and there is a problem of aging personnel (Balán & Trombetta, 1996, p. 393).

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[7] Interpreted, transcribed, and translated from several sources of Latin American literature. These sources include academic studies, World Bank literature, and literature from the Inter-American Development Bank.

9. There is no academic leadership and legitimacy of governing bureaucracies (Ordorika, 1996, p. 403).

In order to understand the negative perspectives of the system of higher education in Latin America, it is important to clarify that the model of most Latin American public universities, including their financial administrations, is not based on the American model. The university in Latin America was "imported" from Spain and France, making the model essentially continental.

> The continental model has the following features: a large state that grants authority to chaired professors, professional programs with considerable power, and weak central administration of the university. . . . [The U.S. model] was based on centralized institutions, with departments (rather than separate programs), campuses, full-time teachers and students, and a limited role for government. (De Maura & Levy, 2000, p. 30)

The process of imitating the European model had some problems of inexactitude due to cultural differences (p. 29). Later, newer universities were created within the same tradition of the European model, and although by that time there was some influence of the American university model, "the Napoleonic and Continental forms had the biggest formative impact" (p. 30). The problem now is that the major source of funding for the Latin American higher education system comes from North America. As explained by Neu, Ocampo, Graham, and Heincke (2002), loans from the World Bank are often accompanied by technical assistance that in most instances includes a diagnosis of the problem according to its own criteria and suggestions on how to remedy the issue. The current model for the universities obviously does not meet expectations and for this reason is often identified as being in a state of crisis (cf. De Maura & Levy, 2000, p. 30).

This is not to say that the European model is better or worse than the U.S. model. The intention here is to point out that Latin American universities are being evaluated with different parameters than those that are actually in place. The result is the use of measurement tools that do not provide a fair assessment. Current Latin American sources of funding are encouraging a transformation that fits more within the expectations of the American model. However, not all perspectives denigrate the role of Latin American institutions; some also praise the system, as, for example, Levy (1980; as cited in De Maura & Levy, 2000):

> The universities in Latin America have promoted democracy or used the space available for critical thinking and expression within mostly authoritarian regimes. University based intellectuals have enriched national thought, sometimes articulating alternatives to official policy and sometimes playing a major role in developing it. Universities in Latin America often have provided crucial channels of political modernization. For better or for worse, through their satisfaction of middle class demands and promotion of national identity, universities have fostered political legitimacy and stability. (p. 10)

Whether Latin American higher education is facing a crisis or not, the latest reforms implemented by governments and international financial institutions are based on the need to eliminate such a crisis and to make the Latin American institutions of higher education more financially driven. Using financial programs to guide funding is perhaps seen as a strategy to solve some of the elements of such a crisis. I believe that using the term *crisis* to create uncomfortability with the current situation might lead to the dissolution of resistance and be effective because the population might readily adopt new policies.

Besides the emergence of a crisis, the system of higher education in Latin America faces some antagonisms that involve both the government and the universities. Such antagonisms are centred in the concepts of dependence and independence. Most public universities in Latin America proudly called themselves autonomous; however, such a concept has only been an historic attempt to make the universities' practices free from government influence (Kent, 1996). Nowadays the government and international financial institutions have transgressed such autonomy. Chapman and Austin (2002) explained well the nature of these antagonisms:

> Institutions often want more independence in governance without giving up their dependence on public funds. Governments often want colleges and universities to be more financially self-sufficient, but may not want to relinquish state authority over the operations of higher education institutions. (p. 4)

These discussions about the crisis in higher education also hint at the way in which the differing viewpoints reflect the values of the dominant institutions and organizations in the field (cf. Bourdieu & Wacquant, 1992) and an argument designed to justify intervention and to allow the introduction of reforms in such a way that they would not face resistance. In the third chapter I will analyse the techniques used by external agencies to introduce and transfer their values along different fields.

The Role of Multinational Organizations

Multilateral conglomerates have been crucial to educational reform, as Rodríguez-Gómez and Alcántara (2001) affirmed: "In recent years, the presence of multilateral development banks has been a factor in the definition of higher education policies" (p. 507). With a legitimate voice in the diagnosis of situations; the definition of problems; the structuring of academic, economic, and administrative plans; the development of evaluation systems; and the creation of an accountability culture, these types of corporations make visible their participation in the field of education.

Four organizations are pre-eminent in the system of higher education in Latin America: The World Bank (WB); the United Nations Educational, Scientific, and Cultural Organization (UNESCO); the Inter-American Development Bank (IADB); and the Organization for Economic Cooperation and Development (OECD). The WB appeared in the post-WWII period with the mandate to fund the reconstruction of countries heavily damaged by the war. In later times it extended its support to countries other than those that were involved in the war. In the late 1960s, World Bank began funding the field of education through lending agreements for educational projects. In the 1980s and 1990s, World Bank support for the field of education increased to more costly investments, stronger and more specific techniques of influence under the guise of technical assistance, and promotion of ideas through written reports.

Recently, the role of the World Bank has been to provide technical and financial assistance for establishing and/or improving programs dealing with issues such as health, education, and poverty in developing countries. The technical assistance involves the diagnosis of needs and problems, and proposals to meet those needs. The financial assistance comes through lending agreements between the organization and the countries. Such agreements stipulate the modes of payment, the interest accrued on the loan, and the ways in which the money ought to be used. Through the implementation of the World Bank's policies, the developing countries put themselves under the direct influence of the World Bank, which allows it to gain some control over the various fields in which it involves itself;, in this case, education.

UNESCO emerged as a specialized agency of the United Nations Organization (UNO) in 1946. It was commissioned to examine how education could be used to power the economical development of the nations. UNESCO has emphasized different issues over its history, two of which include the universalization of K-12 education (1980s) and postsecondary education (the late 1990s; Rodríquez, 2000).

Under UNESCO there have been seven conferences to discuss the theme of higher education: in Havana (November 1996), Dakar (April 1997), Tokyo (July 1997), Palermo (September 1997), and Beirut (March 1998). Additionally, there were two other meetings of experts, one in Strasburg (July 1998) and another in Toronto (April 1999). The main issues of discussion were the responsibility of the governments to extend access to the different social groups of each national entity. Financially, it was determined that the institutions of higher education must have enough resources to teach and to do research, and that the State has the main responsibility for providing funding for public higher education, although the other social agents should also contribute.

There are 180 member countries in UNESCO. Although this organization does not have an important economic participation in Latin America, it is in charge of "promoting the debate on university problems, disseminating studies on higher education and providing technical assistance for planning and implementing programmes" (Rodríguez-Gómez & Alcántara, 2001, p. 508).

The IADB was established in 1959 with the purpose of invigorating the economic and social progress of Latin America and the Caribbean. Both of the main financial organizations concerned with Latin American higher education—the World Bank and the IADB—are strong proponents of the creation of policies and strategies of development for education at all levels. One of the differences between the banks is that the World Bank funds projects in developing countries all over the world, whereas the IADB's only focus is Latin America and the Caribbean (Rodríguez-Gómez & Alcántara, 2001).

The OECD has 30 member countries, including Mexico, representing the highest world economies and their interests. Its mandate is to oversee discussions between the nations on economic management and participation in the globalized economy. At these discussions the member nations share notes on successes and failures of various policies, hoping to learn from each others' success and failures and, by so doing, to enhance the economic prosperity and stability within each (OECD, 2002, p. 7). The OECD's influence is normative (DiMaggio & Powell, 1983), in that the countries exchange ideas through experts in an effort to improve the internal practices within themselves; this trading of ideas and practices is slowly serving to homogenize the policies and methods of government within the nations of the OECD. Unlike the previously mentioned international organizations (WB, UNESCO, and IADB), the OECD does not develop policies, but serves to bring together nations to share ideas, leading to the development or borrowing of policies. Of the four organizations, the archives and databases of the OECD are the most comprehensive and the most exhaustive.

In addition to the four previously listed organizations, several others that intervene in higher education are worthy of note; however, they do not figure in this study, so the reference is only cursory. In order to show where they fit in the grand scheme of international organizations, I have borrowed Rodríguez's (2000) classification chart of organizations based upon how all of them participate in Latin American higher education.

1. Instances of International Consensus
    a. UNESCO: United Nations Education, Scientific, and Culture Organization
    b. OIAS: Organization of Ibero-American States
2. International Organizations of University Cooperation

   a. AIU: Asociacion Internacional de Universidades (International *Association of Universities)*
   b. UDUAL: Union de Universidades de America Latina (Union of Universities of Latin America)
   c. OUI: Organizacion Universitaria Interamericana (InterAmerican University Organization)

3. Multilateral Banks
   a. WB: World Bank
   b. IADB: InterAmerican Development Bank
   c. FMI: Fondo Monetario Internacional
4. International Organizations of Consultation
   a. CEPAL: Comision Economica Para America Latina y el Caribe (Economical Commission for Latin America and the Caribbean)
   b. OECD: Organizacion para la Cooperacion y el Desarrollo Economico (Organization for Economic Cooperation and Development

The power of these organizations is a product of their accumulation, possession, and utilization of a global information databank; and their influence is because of their ability to disseminate their services through the promotion of "best practices" and through the publication of "performance indicators" (Neu, Ocampo, Graham, & Heincke, 2002). Thus, it is crucial to take into account that many of the policies that are guiding the operation of Latin American universities were established under the criteria of these organizations.

Conclusion

In this chapter I provided a general description of the characteristics of the system of higher education in Latin America, with special emphasis on the Mexican system. I identified the types of institutions of higher education, showed their differences, and discussed the funding involving these institutions. Such descriptions are useful for transferability purposes because for the research to be applicable to a particular setting, an individual will need a perspective of the context of the selected university.

Furthermore, in this chapter I discussed the issues surrounding higher education and speculated about the reasons for such discourses. I identified the definitions and classifications that reflect the way in which some autonomous institutions control and spread information, highlighting the power of such institutions in defining the capitals of a field and what counts as good or bad within it. The following chapter will expand on this theme.

Finally, considering the power that external organizations of economic and technical support have gained in the field of higher education, I provided an explanation of the role of the main organizations and a list of all of the organizations extant with interests in the field of postsecondary education. I highlighted the amenability of Latin American countries to foreign intervention because of their economic conditions and social needs.

Having explained the current characteristics of higher education in Latin America based upon the literature review, the following chapter will go on to explain the theoretical basis for this study. As the reader reads the following chapters, the foundation set in this chapter will be important to keep in mind. It must be remembered that the

University of Knowledge is a real university and that it exists within a context specific to Mexico's situation. Therefore the funding projects being examined and the organizations implementing those changes must be understood.

CHAPTER 3

THEORY

> Domination and inequities of power and wealth are perennial facts of human society. But in today's global setting they are also interpretable as having something to do with imperialism, its history, its new forms. The nations of contemporary Asia, Latin America, and Africa are politically independent but in many ways are as dominated and dependent as they were when ruled directly by European powers (Said, 1993, p. 19).

This research's purpose is to understand how the influence of the financial mechanisms of FOMES/PIFI have affected the perspectives and activities of the members of the University of Knowledge. Despite the varying theoretical perspectives offered in the literature to approach the theme of this research, this chapter relies on prior work in the areas of governmentality (Foucault, 1984a, 1984b, 1991; Miller & O'Leary, 1987; Miller & Rose, 1990), imperialism (Said, 1979, 1993), and institutional theory (Bourdieu, 1990, 1998; Bourdieu & Wacquant, 1992; Webb, Schirato, & Danaher, 2002).

This chapter is divided into four sections. The first section discusses the features, characteristics, and scope of financial mechanisms. The definitions of the main words used in this study and the framework of the concepts are provided. The second section discusses alternatives to explain why institutions that would traditionally be identified as cultural institutions have come to rely on techniques from the field of economics to direct their activities. It helps explain why the field of education is increasingly adopting financial mechanisms to facilitate the management of institutions of education. The third section explains the consequences when the aforementioned techniques are applied, and the fourth section deals with how institutions avoid succumbing to the influence of such techniques (such as forms of resistance and fabrication of information).

Characteristics of Financial Mechanisms

This study stands on the premise that financial techniques are a means to achieve governance, wherein governance is understood as a strategy to align the current and future activities and desires of a group of people with the objectives of those in a position of authority (Miller & Rose, 1990). In order to understand what a financial mechanism is and does, it is necessary to consider that this type of mechanism is not isolated, but is part of a web of diverse mechanisms that on some occasions have similar uses and effects, whereas at other times they provide a synergistic arrangement in which they complement the potency of one another. In this study I link three mechanisms—financial, governmental, and informational—that can be used interchangeably and produce similar effects, differing mostly in method and terminology (Neu, Ocampo, Graham, & Heincke, 2002).

The New Empires

Financial mechanisms are embedded in a web of other mechanisms and are a combination of accountability, budgeting, statistics, evaluations, planning, incentives, and numerations (Miller & Rose, 1990, p. 8). They work as an indirect mechanism used to exert control at a distance, to engage those involved within a network of power relations, and, to facilitate the transformation of distant territories (Neu, Ocampo, Graham, & Heincke, 2002), help construct a particular vision of those distant territories and facilitate distanced government interventions.

Financial techniques have the described potential mainly because their exercise results in the production of detailed knowledge of the territory under governance, and such knowledge becomes power when it comes to matters of making decisions. Noting how financial techniques are useful for creating and obtaining information demonstrates how financial techniques are a type of information technology. Regarding the issue of the acquired power through financial/informational techniques, Edward Said (1993), studier of imperialist practices among nations, wrote that "knowledge of subject races is what makes their management easy and profitable; knowledge gives power, more power requires more knowledge, and so on in an increasingly profitable dialectic of information and control" (Said, 1993, p. 36). It can be said that these activities of being accountable, apart from being helpful to assist the internal management of institutions, have the potency to exert covert, secure, economical, and absolute control; consequently, they facilitate the reaching of a "perfect" government as in the description of Miller and Rose (1990). Said's quotation, contextualized within the above statements, confirms the relationship between financial techniques and information technologies and further adds to the equation of how governing technologies are related; when used together, the three are often inseparable and, indeed, interchangeable.

New Colonial Coercion

Even though the colonial age is largely part of history and the great imperial powers have all but collapsed, colonialism and imperialism are still very much present. The work of Edward Said (discussed earlier) concentrates on the new types of colonialism and hints at how financial mechanisms are diffused to developing nations. As with the colonialists of yore, postmodern empire builders bring with them their government, culture, and beliefs. And as before, the nations upon which they exert their influence are required to change, to adapt, and to assimilate the government, culture, and beliefs of the new dominant society (Galeano, 1997; Said, 1979). Whereas the original peoples were baptized into a religion that they did not believe and taught a language and culture that they did not want, developing countries today are being forced to take on new beliefs and new languages, to be reeducated to a foreign way of living. This can be described as *coercive isomorphism* (DiMaggio & Powell, 1983, p. 150), which happens when institutions have economic, intellectual, or structural dependence on different organizations, and it "results from both formal and informal pressures exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which organizations function"(p. 150).

According to the literature reviewed in Chapter 2, in most of the discourses about the role of international organizations and the practices of accountability introduced by them to the different national projects of education, it seems to be understood that such ideologies are useful in helping the countries overcome economical problems. They do not have to stop their continuing development for the lack of resources, and they acknowledge that such organizations indeed bring money to the countries and that with the money they attach policies on how the money should be used.

The arguments of analysts, however, are reduced to expressing their concern over the generalizations that they perceive in the policies, because most of the policies to manage resources are produced by those organizations and are supposed to be applicable worldwide, but often do not fit nicely the countries trying to apply them. I believe that most of the participants in the Mexican system of education do not recognize what is happening within the field of education because the new funding policies. This *misrecognition* is causing them to comply unwittingly with the various types of "symbolic violence." Misrecognition is a concept used and defined by Bourdieu and Wacquant (1992; as cited in Webb et al., 2002) as follows:

> Misrecognition is the key to what Bourdieu calls the function of "symbolic violence,"' which he defines as "the violence which is exercised upon a social agent with his or her complicity" (p. 167). In other words, agents are subjected to forms of violence (treated as inferior, denied resources, and limited in their social mobility and aspirations), but they do not perceive it that way; rather, their situation seems to them to be "the natural order of things." (p. 25)

In the introduction of this thesis I put forth the idea that the new funding policies for allocating money through funding programs could be a government strategy to ration the funds in such a way that they are given to those who best demonstrate deservingness. I suggested that the new financial mechanisms being applied in Mexican universities carry a sense of fairness that is enticing. Foucault's (1984b) description of the "art of punishing" sheds some light on the logic of such practices. He said:

> The art of punishing in the regime of disciplinary power is aimed neither at expiation, nor even precisely at repression. It brings five quiet distinct operations into play: it refers individual actions to a whole that is at once a field of comparison, a space of differentiation and a principle of a rule to be followed. It differentiates individuals from one another. . . . It measures in quantitative terms and hierarchizes in terms of value the abilities, the level, the "nature" of individuals. It introduces, through this "value-giving" measures, the constraint of a conformity that must be achieved. Lastly, it traces the limit that will define differences in relation to all other differences, the external frontier of the abnormal. The perpetual penalty that traverses all points and supervises every instant in the disciplinary institutions compares, differentiates, hierarchizes, homogenizes, excludes. In short it *normalizes*. (p. 195)

Foucault's description of disciplinary power helps to understand why these types of mechanisms are attractive. They cause people to feel that they are exercising autonomy in doing activities without surveillance and that they are participating in a fair system, whereas the one who is best able to demonstrate superiority is the one rewarded. Therefore, people accept this ideology as a new management technique that situates the individuals in a horizontal position where they have "power" over themselves and where they are automanaged (Anderson & Grinberg, 1998).

Covert Empire Tactics

Neu, Ocampo, Graham, and Heincke (2002), in their study of the World Bank's lending agreements for education in Latin American countries, explained the covert qualities that financial mechanisms possess. The authors compared the tactics used by the old empires to conquer territories and the strategies that new empires use to gain terrain in other fields. They agreed with Said's (1993) statement that imperialist practices have not disappeared but have changed their method to a less overt one: "It is not about soldiers or cannons but about ideas, about forms, about images and imaginings" (Said, 1993, p. 7). Neu, Ocampo, Graham, and Heincke asserted that imperialist practices are as covert as getting information from the field through financial mechanisms (encouraging accountability practices), planning their intervention through strategic planning (promoting interventions in advance), and influencing the field and its practices through technical support. They remarked that it is curious that international organizations of economical assistance, when countries borrow money from them, put conditions not only on the time of the payments and the amount of interest accrued on the loan, but also on the ways in which the money has to be used. Under the guise of helping countries rid themselves of old corruptive practices, these organizations provide the countries with accountability tools and strategies to make their activities transparent to a degree that makes it almost impossible to misbehave without being seen and consequently impeded by the organization (Rose, 1991, p. 673).

The current study proposes that funding policies comprise two parts: The first serves to organize, plan, quantify, and evaluate the manner in which institutional funds were used, with the intent to ensure that such resources were properly employed; the second is intended to develop systems of information, and the data contained within them will be used for imperial purposes. For Said (1993), empire is "a relationship, formal or informal, in which one state controls the effective political sovereignty of another political society. It can be achieved by force, by political collaboration, by economic, social, or cultural dependence" (p. 9).

Financial Techniques, Servants of the Empires, The New 'Big Brother'

Michel Foucault's (1984c) concept of *panopticism* is a good description of how financial techniques function. Panoptism is a type of control that penetrates every aspect of an individual's life; it is a power that causes one to internalize self-disciplining activities and self-surveillance. It is a disciplinary technique that invades and influences the freedom, the desires, and the will of individuals in such a way that all they do is restricted by a frame of regulations[8] that the same individuals have internalized. Panoptical power, then, is a covert power because it comes from the inside out (once the individuals have internalized the rules of the game, they exercise self-control). Foucault defined panoptical power as a type of disciplinary power:

> Disciplinary power . . . is exercised through its invisibility; at the same time it imposes on those whom it subjects a principle of compulsory visibility. . . . Their visibility [of individuals] assures the hold of the power that is exercised over them. It is the fact of being constantly seen . . . that maintains the disciplined individual in his subjection. (p. 207)

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[8] Such regulations imply both the knowledge of the ways in which an individual ought to behave and the consequences of alienating them or breaking them (punishments or rewards).

Secure, Absolute, and Economical; The Empire Cannot Be Moved

Panoptical power is secure and absolute because it is individually and constantly realized, and thus there is nothing that escapes the sight of the ruler (because every individual makes him or herself transparent, the technique works entirely and absolutely). Finally, panoptical power is also economical because every individual does both his/her job within the organization and the job of an overseer, and therefore panoptical activities do not require the presence of a particular person to do external supervision. Michel Foucault (1984c) explained the secure, covert, economical, and absolute properties of this type of disciplinary power as follows:

> Disciplinary techniques . . . fulfill three criteria: first, to obtain the exercise of power at a lowest possible cost (economically, by the low expenditure it involves; politically, by its discretion, its low exteriorization, its relative invisibility, the little resistance it arouses); second, to bring the effects of this social power to their maximum intensity and to extend them as far as possible, without either failure or interval; third, to link this "economic" growth of power with the output of the apparatuses (educational, military, industrial, or medical) within which it is exercised. (p. 207)

A Double-Sided Coin

In this study I propose that financial policies within the funding programs for universities imply a double level of intent: for management purposes and for internal and external controlling purposes. It is my belief that financial policies when used for purposes of internal management are good for the organizations that utilize them, provided that these organizations are aware that the policies are being used and that they use them properly, because the policies empower the organization to manage and ensure the proper use of resources. However, if the policies are used to control those outside the organization, or those within a different organization, it is important to bring the use of financial policies for control purposes to the surface so that people immersed in them have knowledge about the processes in which they have been involved.

I posit that it is not the mandate of organizations to exercise control over those whom they do not legitimately have any authority (those outside the organization) and that covert use of such polices is colonial in nature. It should be noted that as long as a system of discipline, control, and information remains hidden, little resistance can be exercised towards it. When considering the use of financial policies for purposes of control, it is important to bear in mind that institutions must maintain some control over the behaviour of its members to ensure that internal policies and interests are kept. As we will see in the subsequent analysis chapters, such techniques are often equivocal in that they are beneficial/prejudicial with intended/unintended consequences. For example, when utilizing incentives as a financial technique to diminish resistance and encourage certain behaviours, universities are also producing distractions for individuals. That is, they tend to concentrate on the incentives and forget about the actual benefit of the activity.

Economics Invades Culture

In the second chapter of this study I acknowledged the existence, influence, and importance of multinational organizations in the development of policies for institutions of higher education. This chapter posits that as a result of such influence, financial policies have been transferred into the field of education. This section explores some options to explain why financial policies have garnered so much attention and importance in fields outside economics.

All over the world there is a tendency for thoughts, principles, and propositions originating from the field of economics to be used to improve how other fields operate (Miller & Rose, 1990). It is not rare to hear the vocabulary from economics and finance used to explain phenomena in institutions of all kinds. It is also not unusual to witness how strategies from the field of economics are being adopted as alternatives to solve problems in all sorts of fields other than the field of finance (Oakes et al., 1998). Money has the power to encourage certain behaviours and is used as an incentive by authorities (Bruneau & Savage, 2001) toward institutions, staff, and students.

The literature indicated that the tendency to rely upon financial techniques for organizational success is found the world over (Taylor et al., 2001, p. 3); this tendency results from a mimetic, normative, and coercive isomorphic process (DiMaggio & Powell, 1983). In the second chapter I suggested that the tendency to legitimize and adopt financial tendencies in different fields has an origin worthy of identifying.

In the 1970s organizations wishing to cut costs abandoned the traditional paradigm of production to adopt the paradigm of efficient, low-cost, high-quality production. It was a paradigm developed by the Japanese when they transformed industrial production in their country, a transformation which was mimetic of the North American system of mass production, wherein the traditional tailor-made, client-specific, handcrafted products and the artisans who made them were replaced by assembly lines and product cloning.

This switch from the traditional methods of production to the assembly line was based upon principles of scientific management proposed by Frederick Taylor (Bruneau & Savage, 2001, p. 12; Owens, 2001, p. 36). I believe that fields such as education are relying on financial techniques quite similar to those utilized in Japanese industry to solve their financial woes and to eliminate inefficiency. Because of financial uncertainties and unclear patterns of spending leading to economic instability, organizations such as hospitals, charities, museums, and educational institutions began to look at the bottom line. They saw the success with which Japan transformed its economy and chose to mimic the behaviours leading to that success, hoping that by transforming their institutions, they too would become financially stable.

Mimetic Behaviour and Organizational Evolution

The quests for stability led to a *mimetic isomorphism*, whereby the very creed and *raison d'etre* for these institutions changed. DiMaggio and Powell (1983) defined mimetic isomorphism as a type of modeling in response to various social and internal uncertainties, where, in an attempt to resolve the issues, "organizations may model themselves on other organizations" (p. 151). No longer were they as concerned about providing service at all costs, but they instead became more concerned about cutting costs as much as possible. In hospitals and schools, for instance, where the long-held standard of good care and service without the mention of money was regarded as part of the very essence of the institutions, patients and students suddenly were seen to be clients or customers, whereupon they would ultimately receive what they could afford. In fact, some authors have now said that the field of education has shown greater concern for its finances (for its resources and how they are used) than for its mandate of providing education (Neu et al., 2001). Teachers, administrators, and staff are learning the vocabulary of the field of economics along with the skills to "survive" in a field saturated with financial policies. Administrators are studying financial techniques to learn how to manage resources in a way that they are used as aiming tools to improve tasks.

The former discussion has been about the general spread of financial techniques from the field of economics into cultural fields. With this understanding, I believe that it is possible to move forward into explaining how countries such as Mexico experience mimetic isomorphism. Specifically, in Mexico the government depends upon organizations such as the World Bank, the OECD, the IMF, and the IADB. This dependence has removed much of Mexico's autonomy and its ability to create its own policies (Kent, 1996; Kent et al., 1998). Mexico has found itself at the mercy of the policy-making machines of the aforementioned institutions and has been forced to adapt its educational-institution organizational style to the patterns of finance already in use in developed countries (Rodríguez-Gómez & Alcántara, 2001). In Mexico there is a large cultural movement against the old institutionalized corruption that has plagued Mexico from Cortezian times (Rodríguez & Casanova, 1994). Thus, the Mexican government found itself being forced to change by external organizations that it could not refuse and by an internal movement of the people that it could not deny (Rodríguez-Gómez & Alcántara, 2001).

Adopting the Norms: Becoming Normal

A less covert and more professionally acceptable method of isomorphism is *normative* isomorphism, which involves the trading of students or professionals to study, learn, and adopt the methods utilized by a government or agency (DiMaggio & Powell, 1983, p. 152). When personnel are traded, they receive training and education in the methods, techniques, and systemic norms of the organization to which they were traded.

This leads to isomorphism as they disseminate their prior training, methods, and beliefs to their adoptive agency; and if they return to their original nation or employer, they take with them the ideas, training, and methods that they acquired during their tenure at the adoptive agency.

This method is also used on a larger scale when entire organizations and institutions filter their ideas, methods, and practices through an outside agency to adapt, alter, or attach the old ideas to new ideas, and thus become more like the agent doing the filtering. For example, when the OECD discusses issues with groups of intellectuals from various nations, the nations lacking strength in those issues will adapt what they hear and learn to their own national needs. In this way dominant powers are able to influence lesser powers by convincing them that such adaptation is necessary if the lesser powers wish to be as strong and powerful as the dominant powers (DiMaggio & Powell, 1983; Said, 1993). Of course, the logical outcome of this is international homogenization, where the norms being adapted are eventually the normal (DiMaggio & Powell, 1983).

Results of Using Financial Techniques

Expected or unexpected, there are always consequences associated with the use of financial techniques. The difficulty is finding a methodology to identify them. In this case (Bourdieu & Wacquant, 1992) provided some direction on what to look for, how to identify such consequences, and how to understand them.

Bourdieu and Wacquant (1992) identified five concepts that fit well in the explanation of what happens when financial mechanisms are adopted as means of transformation. The first concept is that of a *field*, which they defined as a "series of institutions, rules, rituals, conventions, categories, designations, appointments and titles which constitute an objective hierarchy, and which produce and authorize certain discourses and activities" (Webb et al., 2002, p. 43). Analyzing the problem of financial policies in education implies the consideration of two fields, the educational and the economic. In this case I perceive that such a relation is causing struggles of power because the most dominant field is trying to impose its essence, practices, capitals, and habitus over the other. However, there are still some resistances that do not permit a total transformation. This study is focused on the issue of the rising influence of economic institutions in the field of education, noting that the field of education is depending on the techniques and rules within the field of finance to ensure its survival and to help it transform itself into a financially efficient entity.

The second concept to take into consideration in this analysis is the concept of *capital.* According to Bourdieu and Wacquant (1992), every field contains forces whose purpose is to define its identity. Those forces are known as capital. Their explanation of capital is as follows:

> The principle of the dynamics of a field lies in the form of its structure and, in particular, in the distance, the gaps, the asymmetries between the various specific forces that confront one another. The forces that are active in the field . . . are those which define the specific capital. A capital does not exist and function except in relation to a field. (p. 101)

The capital is contained within the field, and the capital is what makes the field "live," what defines the activities and identity of a field. In addition to defining the existence of different fields, Bourdieu and Wacquant also pondered the presence of different types of capitals: *cultural, symbolic, economic, linguistic*, and so on.

Even though there are other capitals that define what is done and how it is done in the field of education, traditionally, cultural capital would have priority and the most weight in defining the activities of the field of education. The cultural capital, according to Bourdieu and Wacquant (as cited in Webb et al., 2002), is "a form of value associated with culturally authorized tastes, consumption patterns, attributes, skills and awards" (Webb et al., 2002, p. x). However, fields are fluid and changing, so the influences within fields and capitals of other fields are always being interchanged and renegotiated. The relevance that a capital has in a field depends on the value that the people within the field attribute to the capital, and it is often the powerful agents who influence the attributions of value.

Struggles in the Fields

When explaining the conflicts that happen within fields, Bourdieu and Wacquant (1992) described how participants "vie to establish monopoly over the species of capital effective in it" (p. 17) and stated that the consequences of changing the priority of a capital within a field "to alter the distribution and relative weight of forms of capital is tantamount to modifying the structure of the field" (Bourdieu & Wacquant, 1992, p. 18). Because capital and field are closely linked, their relation creates what Bourdieu and Wacquant defined as a *hermeneutical circule* (p. 19).

Bourdieu and Wacquant's (1992) main idea regarding fields and the distribution of capitals within them is that capitals are legitimated as a result of a social construction, and it is usually the autonomous fields that define which is the legitimate capital and try to impose it over other non-autonomous fields (Everett, 2002, p. 61) as they seek to establish empire. In this case the field of education could be identified as a restricted field that is amenable to the colonizing activities of other more autonomous fields such as the field of finance. Thus, the influence of the field of finance is reflected in the institutions, rules, rituals, conventions, categories, and designations of the restricted field.

Another term that was used in Bourdieu and Wacquant's (1992) theories and that is useful to explain the interaction between capitals is *habitus*. Habitus operates more at an individual level and is a "mental schemata" that embodies the capital of a field or responds to the demands of the main capital. The habitus "functions at every moment as a matrix of perceptions, appreciations and actions and make possible the achievement of infinitely diversified tasks" (Bourdieu & Wacquant, 1992, p. 18).

When adopting policies of other fields than the field of education (in this case, the field of finance), the components of that field (its capital and the habitus of its actors) are altered. One of my objectives in this study was to find out whether the influence of international organizations has altered the characteristics of the field of education, and that is why I am asking the question of how the University of Knowledge is interpreting the financial policies of the FOMES/PIFI, which I believe is a program of financing for universities that resulted from the influence of international financial organizations (that claim a desire to help the field of education "improve" its financial and educational activities). Through an understanding of the interpretations of the actors in the field, I will be able to ascertain whether they have 'embodied' the values of the field of finance, which in this case appears to be the autonomous field exerting its influence over the field of education.

However, it is important to recognize that there are, in the study of the different fields and players, other fields that have played a crucial role in the political changes in higher education. I identify three fields that according to their levels of influence have managed to transform the values, capitals and practices of the others. International organizations, governments and universities are all part of a web of influence. Their influence is hierarchal and flows to the other two levels. First, the international organizations, being the more independent entities and the providers of support, have the power to influence the government decisions and policies. The field of government appears amenable to influence because its autonomy is lost upon accepting the conditions of the support allowing an independent field to support and influence them. Second, the field of governance influences and exerts control over the institutions of higher education because they depend on its support to survive. The institutions of higher education tend to be very compliant (at least in appearance) with governmental policies and regulations because by complying they maintain governmental support. Thus, Bourdieu's ideas are helpful to understand the dynamics among fields and members of fields. My interpretation, based largely upon Bourdieu's theory of capitals, is that international organizations belong to the field that possesses the financial capital necessary, which is the most legitimized capital nowadays, and that such legitimization provides the field with power to influence other fields and to determine what is of value in the other fields.

Perpetually Failing Technologies?

When analysing the effects of financial mechanisms, one must consider three things: first, that it is difficult to evaluate whether or not financial mechanisms work, because it is almost impossible to determine accurately whether those who used them had previously established expectations.[9] If there is no information on what they intended to accomplish by using the financial mechanisms, it is difficult to know whether they achieved their goals or whether the results were un/intended. Second, if financial mechanisms were used with the intent to achieve what the theorists claim, then Bourdieu and Wacquant's (1992) theories regarding the changing of values according to prioritization of capitals will be helpful in providing an explanation of possible consequences. Third, although there are strong discourses regarding the success of using financial mechanisms as means of control, there are others that consider the possibilities of failure (Miller & Rose, 1990). For example, Miller and Rose stated that, although almost irresistible, financial mechanisms do not always succeed, and they allow circumstances and events to evade their effect in the target population. Therefore, this study does not overlook in its analysis the "failures" of financial techniques.

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[9] Perhaps international organization expected all the consequences that are being seen, but it is very likely that the Mexican government and the University of Knowledge, because of the coercive

Although there is a strong discourse that favours the achievements of financial, information, and government techniques, some scholars who study this theme also recognize that there are certain events, behaviours, or activities that make those techniques fail in certain ways.

Beating the System: Inoculating the Panopticon

Fabricating information is a behaviour that occurs in the daily practices of the members of institutions and, consequently, makes the objectives of the information techniques fail. In their study of "informing" techniques and the World Bank, Neu, Ocampo, Graham, and Heincke (2002) acknowledged that some of the information that the World Bank gathers from the countries to whom it lends is being fabricated,

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situation and the need for mimetic behaviour that directs its policies, are experiencing such consequences more by mistake than by planning.

sometimes deliberately and sometimes not. Some authors thought that the deliberate fabrication of information could be classified as a type of resistance (conscious or unconscious) to the techniques (Jones & McCafferey, 1994; Preston, Cooper, & Coombs, 1992). The nations and institutions desire the extra funding; however, they do not appreciate the control techniques used by international organizations when doling out money, or they lack the necessary infrastructure to meet the demands of the lending agents, so they try to beat the system (Macintosh, 1985). Whether they are aware of their behaviour or not, their actions directly mislead the funding organization into believing that its policies are being followed, and therefore the money continues to be paid (Jones & McCaffery, 1994; Macintosh, 1985). However, it is also important to acknowledge that it may sometimes be in the interests of the funding agencies to believe the reports that they receive (Preston et al., 1992). The former example is a hypothetical argument that begs further research, however, there are some elements that lead me to believe that while funding agencies are not ignorant of the "real" activities of the field of education, they nonetheless tend to overlook some of what is happening. For example, international agencies lend money with certain requirements: yearly interest payments, that the government "invest" for the same need a complementary amount of money, that the money will not be given all at once, that the country will start paying interest on the total amount lent to it after a short grace-period, and that international organizations will be allowed to sanction the country by not giving it the money for the following period of time if it does not fulfil a series of previously established objectives (Neu, Ocampo, Graham and Heinche 2002). Heretofore, the reports of organizations such as the OECD and World Bank keep testifying that the system of higher education in Latin America and

Mexico is in bad condition (World Bank, 1994, OECD, 2002), however, despite the continuing difficulties, no sanctions have been applied. That is why I stated that it may be in the interest of funding agencies to accept fabrication practices.

I previously wrote that one thing that gives information technologies potency is that they enable the possibility of transformation. However, if it happens that the people are fabricating information, then the organization is free of influence, because by fabricating information they can maintain the old practices and still receive the benefits of the funding programs. Preston and colleagues (1992) explored the concept of fabrication in their study of budgets in the United Kingdom National Health Service. They defined the idea of fabrication as "an attempt to examine the chains of reasoning and mechanisms of influence between structured forces in the determination of the direction of change and human agency in the determination of the pace of that change" (p. 565). Preston et al. (1992) emphasized that when looking at fabrication processes, it is necessary to consider that they are "fragile" because their "technological products" need to be permanently maintained. If they do not receive the appropriate maintenance, they could "collapse" (p. 565) very easily. Another consideration of Preston et al. (1992) is that fabrication processes often serve as "promotional technologies" (p. 566), as processes that legitimate their claims to political status. I am not suggesting that government intentions are necessarily a "perpetual failure" (Miller & Rose, 1990, p. 4), but instead I think that there are practices that mitigate against success. In this case I would like to suggest that practices of fabrication are a type of resistance that inhibits the complete success of government policies.

Conclusion

In this chapter I have analysed some of the theories supporting the idea of financial mechanisms as means to achieve governance, to facilitate empirical activities, and to transform practices within fields. I explained how some authors perceived financial mechanisms as imperial practices, as knowledge that will become power to control the field, as means of control at a distance, and as means to homogenize the activities in different fields.

Within the chapter are two perspectives: what some authors perceive as the potentials of financial mechanisms and what some authors perceive as their limits. The potentials include the power to control at a distant, the security to obtain reliable information, the encouragement of self-control, the economic advantages of their utilization and so on. The limits include the unexpected behaviours of individuals, and the techniques to circumnavigate the rules and to "inoculate" the panopticon.

It is important to keep in mind the idea that these mechanisms are not "omnipotent," that they can be resisted, and that they can fail. In the subsequent chapters I will use the theoretical material contained in this chapter to analyze and interpret the archival and interview information.

CHAPTER 4

METHOD

The purpose of this study is to better understand how a particular Mexican university, which I am calling the University of Knowledge, interprets financial techniques from FOMES/PIFI, and to track the changes in terms of financial policies at the University of Knowledge during the last decade of its history.

In order to answer these questions and the questions to which they lead, it is necessary to establish methods of research. This chapter's purpose is to inform the reader about the methods used in this thesis, and to that end the chapter is divided into seven sections. The first section defines the type of research used for this study; the second provides the details of the tools used to gather information; the third talks about participant selection, approach, and protection; the fourth explains the strategies utilized to gain consent and entrance to the field and to the participants within it; the fifth explains how data were analysed; the sixth discusses issues of transferability and trustworthiness; and the seventh acknowledges my preconceptions.

Type of Study

Although this study could have been approached in several ways, I decided that because my research question attempts to ascertain *how* financial policies are being *interpreted* by a sample of individuals at an institution, it should be a qualitative study. *How* and *interpreted* are the key words. My intention is to understand the participants' perceptions based on their experiences and how they attribute meaning to a financial policy. Because "qualitative research refers to the meanings, concepts, definitions, characteristics, metaphors, symbols, and descriptions of things" (Berg, 2001, p. 3), my inquiry is qualitative in nature.

It is important to acknowledge that qualitative inquiry encloses three epistemological postures: interpretivism, hermeneutics, and social constructionism (Denzin & Lincoln, 1988, p. 189). This study relies mainly on the hermeneutical stance and uses hermeneutical tools to analyse the data. The hermeneutical stance maintains that there are preconceived notions on both sides, on the side of the analyser and on the side of the analysed, and that such preconceived notions affect the outcomes of the analysis (p. 194). From a positivist perspective, one might believe that if the outcomes of research were affected by the participants' biases, such research would lack validity (Gall, Borg, & Gall, 1996, p. 467). The qualitative-hermeneutical perspective does not seek to be generalized to a larger population, but instead seeks transferability to individuals or groups of individuals who find the results of such research somehow applicable to their circumstances. This perspective also recognizes that preconceptions are difficult to put aside in the performance of qualitative research, but when they are acknowledged to the reader, the research does not loses its value. On the issue of biases, Schwandt (2000) wrote, "Reaching an understanding is not a matter of setting aside, escaping, managing or tracking one's own standpoint, prejudgments, biases or prejudices. On the contrary, understanding requires the *engagement* of one's biases" (Denzin & Lincoln, 2000, p. 195). The hermeneutical circle works as a pedagogical method used to explain how the biases on both sides affect the meanings attributed to a subject, object, or event. The reader will notice this approach when I discuss issues of validity and when I acknowledge my preconceptions, as well as in the chapters of interpretation and data analysis in this thesis.

For this research I chose to study a particular case because, by studying a specific university, I can look more deeply and study more thoroughly the effects that a financial program has on an institution of higher education; whereas if I were to study several universities, I would not be able to delve as deeply or study as thoroughly. My initial intent is to describe the changes in financial policies and then, following that, to understand the perspectives of a specific financial policy within a particular institutional setting.

Although the chosen university is a Mexican university—and in other chapters I point out that this university could be representative of other Mexican universities—it must be clarified that it is not the intention of this study to assert that the University of Knowledge is a representation of the other Mexican or Latin American universities. The model chosen reflects in very general and flexible terms the other Mexican universities. As well, the selected university is not a standing, special, or unique case; thus this is not an intrinsic case study (Berg, 2001, p. 229; Stake, 2000, p. 437). This research is more concerned about the effects that a financial program produces in a university. The focus is on the events rather than on the particular university; however, the university serves as a foundation upon which I can discuss whether financial policies alter the values, practices, 'capitals,' and activities of education. Some of those who have developed methods of approaching research have defined this type of case study as an *instrumental case study*:

> Instrumental case studies provide insights into an issue or refine a theoretical explanation (Stake, 1994). In these situations, the case actually becomes of

> secondary importance. It will serve only a supportive role, a background against which the actual research interests will play out. (Berg, 2001, p. 229)

Data Collection

The data collection and analysis occurred in three stages. In the first stage I sought and analysed documents and texts involving the financial policies of the FOMES/PIFI for Mexican institutions of higher education. I identified the documents by asking people in the field to refer me to various publications that discuss the previously mentioned topic, by doing a library search and looking at the references utilized by other authors, by doing an Internet research on the institution and organizations in charge of the financial system for institutions of higher education in Mexico, and by following the links provided on the Internet web pages. This analysis was limited to the last decade. The information obtained by this activity helped in framing and contextualizing the research and also provided direction on how to approach the themes, how to choose the participants, and how to position the interpretations.

In the second stage I participated in a seminar series on financial governance within the University of Knowledge. This provided me with the opportunity to talk with members of the university community in an informal setting and to "test" my preconceptions during this exploratory phase.

In the third stage I conducted six open-ended and semi-structured interviews (Berg, 2001, p. 70) to allow the participants the opportunity to express their thoughts, interpretations, and understandings in an anonymous and open manner. I designed a list of themes that I thought were necessary to discuss in order to address the concerns of my research, but I did not have a questionnaire to be followed, nor did I set an order in which the themes were to be approached. My research concerns are about the financial mechanisms that FOMES utilizes to allocate money to the institutions of higher education; therefore I reasoned that by asking the participants to describe to me the ways in which they address FOMES policies, the type of financial mechanisms used by FOMES would appear spontaneously in our conversations. The general themes of the interviews were FOMES/PIFI history as a financial program and transformations over time, procedures to develop projects for FOMES/PIFI, participants' appointment to their respective positions, participant's role and tasks, FOMES training, FOMES performance indicators, FOMES selection criteria, FOMES mechanisms of evaluation and accountability, perceived changes as a result of FOMES financial policies, and, finally, the participants' evaluations of FOMES policies and activities. My main concern in the interviews was to have the participants talk about the procedures that they use when building FOMES projects. I thought that by having them describe to me the processes to develop FOMES projects, I would be able to approach their interpretations, experiences, and opinions in a more natural way, rather than asking them directly and influencing my participants' opinions by letting them know by my questions what answers I was seeking. The particular themes were arrived at while reading and cross-referencing the interviews and archival research, and they are included in Chapters 5, 6, and 7, wherein I discuss the data analysis.

The questions and the order in which they were asked varied with the responses and emphases that participants were giving to certain issues. By allowing them to speak freely about their thoughts and interpretations, I was able to note various issues and subtopics that I had not yet thought of. The authors who wrote about qualitative research suggested that the participants be provided with this freedom because, when allowed to speak freely, they will provide more verbal and topical cues. They also suggested that the interviewer be alert to catch the cues and insightful enough to incorporate them into the subsequent questions and later analyses. Berg (2001) expanded on how the questions in semistructured or semistandardized interviews should be designed and managed:

> Questions used in semi-standardized interviews can reflect an awareness that individuals understand the world in varying ways. Researchers thus approach the world in the subject's perspective. Researchers can accomplish this through unscheduled probes that arise from the interview process itself. (p. 70)

Rubin and Rubin (1995) also expanded on how interviews in qualitative research should be designed, emphasizing especially the flexibility that the questionnaires, or in this case the selection of themes, should provide:

> Adjusting the design as you go along is a normal, expected part of the qualitative research process. As you learn how the interviewees understand their world, you may want to modify what it is you are studying or rethink the patterns of questioning. Such flexibility is much better than persisting in a design that is not working well or that does not allow you to pursue unexpected insights. (p. 44)

For my interviews I considered and applied the suggestions for flexibility and saw that having an environment of freedom and flexibility does indeed improve the participants' confidence to speak about the issues at hand and, consequently, enhances the quality of the information gathered.

Regarding the participants' needs, the interviews were conducted in person at locations chosen by each participant; most chose their offices. Given that the participants all spoke Spanish, the interviews were performed in Spanish and because of time and feasibility issues, the data analysis was also in Spanish. The interviews averaged in length approximately an hour. The interview themes used to guide the conversation with the participants are attached in the appendix of this study.

Participants

Snowball or chain sampling techniques were used to select interview participants (Berg, 2001, p. 33; Gall et al., 2003, p. 179). I had already talked with a colleague familiar with the structure and people at the university, and he provided me with an *informant* (Berg, p. 33; Gall et al., p. 445). My informant is a person who currently occupies a key position within the university and has knowledge about both the people and processes within the university. With the help of my informant, I was able to make appointments with people who would later refer me to potential interviewees and help me to gain access to the participants of the study. The criteria to select participants were that they be involved in FOMES projects or in administrative positions in which they would be familiar with the finances of the universities and how said universities acquire external funds. I also selected an external participant, and the criterion was that he/she be from a governmental department dealing with the financial policies of the government towards higher education. I included her participation because I wanted to provide a global perspective about financial techniques and know the external opinion, thus keeping the information from becoming one-sided.

The participants interviewed represented different "hierarchical" levels as well as different roles in the development of projects for the FOMES/PIFI. Because of their various ranks and positions within the educational and administrational strata, the group of participants can be defined as a *convenience sample* (Berg, 2001, p. 32). Alfonso (all names are pseudonyms) was involved in the development of three projects of a DES.

Because of his experience, he provided the 'historical' perspective on designing and developing financial projects in the university under study. Rosa represented the external and governmental perspectives because she held a key position in a relevant department in the government. Roberto was a participant who had been involved in the development of a transversal project, which benefits the whole university, so his perspective was again at the level of those who develop projects and deal with financial policies in the practical stage. The fourth interviewee, Camila, represented the political perspective of an administrator. The fifth, Juan, was another representative of a DES project. And, finally, Esperanza, the sixth interviewee, was another administrator familiar with the finances at the university.

Given that I used a combination of archival and interview sources, I delineated the number of interviews by whether or not I felt satisfied with the information obtained. I decided that six participants were sufficient for this study when I noticed that they were not providing me with any new information, but simply reiterating what the others had said. Combined with the archival information, I believe that the six participants provided a rounded source of information and that their varied perspectives helped to avoid *ex parte* conclusions.

Gall et al. (2003) commented that the sample size in qualitative research is also flexible depending on the research needs (p. 177), and I felt satisfied with the information that I had after my sixth interview. By limiting the number of interviews, I hoped to provide a balance for the other research method in which I interpreted the information within the documents. I believe that the variation of sources and perspectives provided by the interviews and documents permits a well-rounded perspective and understanding of the application and interpretation of funding policies at the University of Knowledge.

The selection of participants was based upon the advice of my informant and on advice from the other participants. I felt that I needed to get the perspective of those involved with the development of policies because they are the ones who directly experience the consequences of the financial policies, but I also thought that I needed to probe the insights of those in administrative positions because it is they who encourage the application of the policies. The participation of the external agent resulted when I was introduced to this person by one of my participants, and I believed that the perspective of a person involved in the process of creating and evaluating the policies would serve well to verify my information.

Gaining Entrance and Consent

In order to achieve audiences with my participants, I requested that a colleague network for me with the person who would later become my informant. I phoned the person from Edmonton to discuss possible participants and established a calendar of activities during my stay in Mexico. Once I arrived in Mexico, my informant introduced me to an influential person at the University of Knowledge, and they subsequently recommended me to the other participants so that they would receive me for the interviews.

When I was introduced to the other participants, the first step that I took was to hand them the letter of consent provided by the University of Alberta. In the letter I introduced myself, explained the intent of the research, assured them that if they decided to participate their participation would be anonymous, and explained that they had the freedom to decide whether they wanted to participate or not. I also emphasized that they could withdraw from the study at any time if they so desired. Some of them asked questions about the purpose of the study, and these I answered until they were satisfied. A copy of the presentation and consent letter is attached in the appendix of this thesis.

To protect my participants from any possible fallout due to their participation, as the consent form indicates, their names have been kept confidential and pseudonyms used in any written report. To ensure the absolute protection of my participants, the name of the university at which they work was altered, and any information that might identify them was also hidden. This will ensure that any comments used in the study cannot be traced back to them.

Data Analysis

To become more familiar with the themes expressed by my participants and to protect their confidentiality, I transcribed the interviews myself. Having collected, transcribed, and organized the data, I proceeded with the analysis of the interviews.

The interviews were analysed using a software called *ATLASti* 4.1. *ATLASti* uses a method of analysis that approaches the data on three levels: a textual level, a conceptual level, and an organizational level (Muhr, 1997, p. 7). The textual level breaks up the data by passage, enabling the researcher to add comments and ideas to the passages, and then sets them up to be indexed. This serves a vital role in helping the researcher to understand the data and to begin to think about potential themes. The conceptual level takes the indexed passages (and, if necessary, the researcher's annotations) and helps the researcher to set up conceptual maps so that it is possible to see how the various concepts interrelate, and thus the researcher is better able to organize the themes and theories extracted from the data. The organizational level serves to help the researcher with the organization and distribution of different types of data so that it is easier to work on them. Although this software is designed specifically for qualitative analysis of interviews, documents, and visuals, I used it only for the analysis of the interviews. *ATLASti* is based upon the hermeneutical approach utilized in qualitative research, which I defined earlier in the chapter. For example, every interview becomes the core of what is called a hermeneutic unit, because all that is relevant to the interview, including my thoughts, interpretations, and the organization of them, are contained within the hermeneutic unit (p. 8).

As I said before, the interviews were performed with people from different hierarchical levels. The difference in positions and perspectives of my participants was taken into account while I did the analysis. I separated the perspectives of my participants into four different categories: The first category comprised the three persons responsible of developing projects for FOMES/PIFI, the second contained the perspective of the administrator who works as an intermediary between government and the university, the third incorporated the perspective of the politician, and the fourth contained the governmental perspective, which is the external perspective. The codes for every one of the categories were mainly the same, but there were specific codes added to the general codes in each case. The specific codes were used to reflect the particular perspective of the person or group of persons at that level.

Regarding the type of coding, I utilized a mixture of coding types, which are thematic and phrasal coding. The analyses in this work were conducted inductively and deductively: inductively because I extracted insights from the participants' opinions after

I had performed the interviews and extracted themes from their thoughts, and deductively because the general themes of the work were predetermined prior to the commencement of the research. (Berg, 2001, pp. 243, 251).

Crucial to this study is the analysis of the language used by participants to describe the processes of designing, applying, and evaluating financial policies. Through the discourses one can see a reflection of how the participants understood financial policies and whether or not they had internalized this particular way of viewing the world. Miller and Rose (1990), for example, believed that there is a relation between language and politics: "Governmentality has a discursive character: to analyse the conceptualizations, explanations and calculations that inhabit the governmental field requires an attention to language" (p. 4). They mentioned that some studies in economic policy have demonstrated that the adoption of certain vocabularies reflects the influences of a dominant field. Bourdieu (Webb et al., 2002) took the definition of language further, defining it not as a reflection of reality, but as "a *practice* that makes the world, or at least determines how we understand it." (p. 13). Bourdieu continued his explanation: "Each field (medicine, philosophy, law, politics, economics) has its own set of discourses and styles of language, and that not only determines what is seen, but what things are valued, what questions can be asked, and what ideas can be thought." (p. 13). In the previous chapter, when I discussed Bourdieu's theory, I explained that the adoption of the vocabularies from other fields is an indicator that financial mechanisms have successfully influenced that other field, and therefore I considered it important to analyse the vocabulary used by participants.

For the analysis of the official documents, I used open coding strategies. In open coding the text is analysed, the themes (codes) consistent with the theory are developed, the text is re-approached, and the portions of it that are consistent with the codes are labelled accordingly. The purpose of this process is to connect the different themes and to relate the themes back to the theory (Berg, 2001, p. 251). In the chapter on data analysis (Chapter 6), I will explain which themes were chosen, the reason for choosing them, and their meaning for the research.

Because one of the intentions of this study was to find out to what extent the field of economics has invaded the field of education, I believe that analysing the language and vocabulary used by my participants, as well as the language used in the documents of the institution under study, would be a strategy to determine whether or not there has been an adoption of the vocabulary of finance and whether or not financial techniques have been internalized. Thus in the analysis using *ATLASti* and the open-coding techniques, I paid special attention to the use of words in documents and in interviews.

Transferability and Trustworthiness

I am studying phenomena at a specific university, but this does not mean that the study bears no relevance to other situations. In the second chapter of this study I provided a detailed description (Denzin & Lincoln, 2000, p. 21) of the Mexican system of higher education, hoping that such descriptions would enable the reader to determine whether or not this research can be applied to his or her context. True, the actual findings of the study ought not to be generalized, for to do so would be to commit an ecological fallacy, but similar circumstances are found throughout Mexico and sometimes in other countries. These similarities will allow individuals at other sites to juxtapose the insights of the current study with their particular situation. Should persons who read this study see similarities to other situations and desire to apply the findings to those situations, it is up to them. In that sense, this study can be generalized (Gall et al., 2003, p. 466)

It is important to emphasize that methods to ensure trustworthiness were used in this study. The variety of methods used to gather information for this study help to verify that I have not provided a partial perspective but rather a global perspective of the theme that I have examined (Denzin & Lincoln, 1988, p. 230). Triangulation is a method to achieve trustworthiness because it allows for corroboration of the information needed (Berg, 2001, p. 127). The literature suggested that several methods to gather information be utilized in triangulation. As previously explained, three methods were utilized in this research: reading bibliographic sources, being involved in the field, and interviewing, which all helped to provide multiple perspectives over the same event (Denzin & Lincoln, 1988, p. 443). Apart from the combination of different type of data, I interviewed people at different levels of authority to provide a complete perspective.

To ensure that my participants spoke freely, I made explicit to them that their identities would be kept confidential and that every detail that could identify them would be removed or altered in the written reports. I noticed that some were worried about my being an agent of FOMES and that by talking to me they were incriminating themselves and their colleagues. To assuage their fears I showed them my credentials and provided them with a reference letter saying that their participation would be protected, that I would allow them to check my interpretations before publication, and that they could withdraw from the study at any time should they not feel confident about talking to me or about the information given to me.

Preconceptions

Discovering one's preconceptions is difficult, but I will try to provide a brief explanation of what I think could influence the direction and content of this study. As I said before, I believe that by making it known to the reader that I am aware of my biases, I am enriching the hermeneutical perspective of my findings.

I decided to focus on a Mexican university because I studied my undergraduate degree at one of them. My time in the Mexican system of higher education helped me gain an elementary understanding of the system and its problems, and I undertook this study hoping that perhaps I could contribute to resolving some of the current problems. The issue of funding began to intrigue me because a year before my graduation I witnessed one of the most jarring student movements[10] against the proposal to introduce tuition fees, a proposal that in the end, would have drastically changed the higher education system. The state's role would have changed from one of almost totally subsidizing the expenses of higher education to a more passive role in which it would only partially finance the expenses of higher education. The students made known their disapproval of 'marketing' policies in cultural institutions, and the politicians in favour of the new policy felt that the students should pay because they were benefiting from the education and should therefore consider any money spent on their education as an investment. The media supported the government's view and sensationalized the issue by calling the striking students rebels and the strike an act of organized and illegal rebellion.

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[10] It was the student strike in the Universidad Autonoma Nacional de Mexico. For further information visit http://serpiente.dgsca.unam.mx/rectoria/htm/1990.html

The media believed that the students should be more open minded and that they were being very backwards in their thinking and resistant to change.

Personally, I had difficulty deciding which position to support. Although I was opposed to the use of neo-liberalist financial policies within the finances of Mexican universities, I also believed that the universities needed to obtain funding from sources other than the government. I also agreed with the government that the universities needed "better" managerial policies to more tightly control the practices that had for so long been disorganized, but at the same time the suggestions regarding "accountability" proposed by international organizations often seemed simplistic and decontextualized in that they did not acknowledge the institutional reality of Mexican universities. Thus, I think that the new financial policies and the patterns proposed for the future have a double edge, and I hope this study reflects that belief.

Finally, I believe that it is important to comment on the notion of corruption. Before I came to Canada I believed that Mexican institutions were corrupt because the people wanted the corruption for their own personal gain. This point of view was re-enforced in the earlier half of my master's studies, when I began studying different types of management. However, more recently my view has changed because of my readings and the interviews that I conducted for this study. I believe now that corruption is part of the organizational structure and that officials do indeed break the rules, but they do so not because it is necessarily what they prefer to do, but because it is what they must do in order do to survive. I will return to this theme in the analyses and concluding chapters.

Conclusion

In this chapter I have talked about the methods that I used to obtain information and methods to analyse this information. I defined the type of research used for this study, explaining my research question and how the participants interpreted it; concluded that the research style of this work is qualitative; provided the details of the tools used to gather information; explained the various sources and methods, such as books, documents, Internet sources, interviews, and so on involved in gathering this information; explained the strategies that I utilized to gain consent and entrance to the field and to the participants within the field; talked about participant selection, approach, and protection; explained how the data were analysed; discussed issues of transferability and trustworthiness and how I have avoided biases; and, finally, to fulfill my obligation to the qualitative method, I have acknowledged my preconceptions, thereby making the reader aware of my personal leanings in this regard. Having now concluded the explanation of the methodology for this study, I proceed to the actual study, the analysis of the data, wherein I analyse the documents read and then analyse the comments and perceptions of the participants. Along with the forgoing chapters, this chapter provides a solid theoretical foundation upon which the analysis has been built.

CHAPTER 5

FOMES: ITS HISTORY AND ITS ROLE

This chapter is the first that analyses the data from documents and literature about FOMES and the financing of Mexican universities. Its objectives are to present the funding model for higher education institutions in general and to describe and analyse the financial policies of FOMES in particular. In order to achieve these objectives, I have divided the chapter into five parts. The first part describes the elements of the financial system for higher education in Mexico and introduces FOMES, its objectives, role, and characteristics. The second provides detailed information regarding the financial policies of FOMES and explains the process of project construction, the perceived financial techniques, and the intentions of the policies. The third segment is an analysis of FOMES as a financial and governmental technique. The fourth explains the process of project construction as related by my participants. The last part concludes the chapter.

A Brief History of FOMES' Financial Tendencies

The funding program for the Modernization of the Higher Education Institutions (FOMES) was created in 1989. The original objective was to *consolidate*[11] the institutions of higher education in the country. In order to consolidate them, it was necessary to provide them with financial and academic resources, and those resources had to be directed to specific areas, preferably areas of major "impact" for the students and professors.

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[11] *Consolidation* is a word used in the documents of FOMES and is defined as the stabilization of those institutions that have achieved satisfactory levels of performance.

Facilities and academic programs were thought to be the two areas that would have an "effective impact" on both the universities and non-university institutions. The policy makers justified their selection by arguing that by providing the universities with the right infrastructure, they would improve their quality, and that by updating the academic programs, the universities would better prepare students to meet society's needs.

During the first five years of its existence (1990-1995), FOMES oriented its activities to support two objectives: improving infrastructure and improving academic programs. But in the beginning it was difficult to maintain the focus on these activities because there were needs beyond those chosen that also needed to be met, and few other programs were able to assist in meeting the needs (Kent, 1993). Consequently, FOMES also allocated funding for several other needs, including the actualization of the curriculum; teacher training and further education; education and research activities; the revision, adaptation, and advertisement of careers; the reorientation of the administration and the university laws; the creation of institutional systems of information; and many more related unmet needs in the educational system (Barba & Montaño, 2001; Kent, 1993).

During the second five years of its existence, FOMES became one of the most important programs of subsidy for higher education, allocating 3,495,700,000 pesos (approximately $349,570,000 USD) (Subsecretaria, 2001a, p. 2). During this period other programs were created to meet the needs that were outside the mandate of FOMES; for example, PROMEP (Program for Teachers Upgrading) emerged as a program to support the need for instructor upgrading. With these changes, FOMES was finally able to do what it was created to do: to allocate money for educational infrastructure such as libraries, labs, equipment, and computers; to support the academic performance of researchers, teachers, and students; and to develop systems of obtaining and classifying information.

In 2000 the programs of extraordinary subsidy (FOMES, PROMEP, FIUPEA, PIFOP, FAM) were combined into one program, called PIFI (Secretaria, 2003). This transformation was intended to solve problems of control that occurred when the programs were separate, to encourage teamwork, and to ensure that every one of the programs is linked by a main institutional objective. The government thought that by joining the programs and by developing systems of information, the universities, or the faculties within them, would not request support for the same need from multiple programs (Secretaria, 2003). Two common problems of control were the fragmentation of resources, which saw people applying for funding from a variety of subsidizing organizations for the same project, and micro-level integral planning, wherein those developing plans for projects would look at only how the proposed project would benefit the particular faculty, without checking whether the project would benefit the whole university or create a redundancy within the university (Kent, 1993).

Under PIFI, FOMES also changed its objectives. When FOMES was a stand-alone subsidizing agent, it made plans on a yearly basis, evaluating the lendees (Subsecretaria, 2001a) at the end of the fiscal year. FOMES/PIFI 2000 was created with long-term objectives, with the intention of developing six-year plans in order to follow up on the improvements, because it was believed that the projects needed a longer period of time to be effective and to make their improvement visible to the institutions, to FOMES, and to society (Secretaria, 2003). Therefore, FOMES/PIFI 2000-2006 supports the IES (higher education institutions) that have projects belonging to a PIFI.[12] The main request of FOMES is that the departments or group of departments (DESs) applying for funds develop projects oriented to improve the quality of the academic programs. Its major focus is still on the "modernization" of infrastructure, but those requesting money from this category have to demonstrate the linkage between infrastructure improvements and improved academic programs (unless otherwise noted, all of this information is from Secretaria, 2003).

The current FOMES allocates money exclusively for the improvement of the quality of educational programs, academic infrastructure, and the development of systems of institutional information, which are composed of databases and informing technologies. FOMES requires that the projects be the result of a collaborative process in order to involve other professors in the participation of projects and, in so doing, encourage teamwork.

It is important to the strength of my argument that I clarify that FOMES funds the country's less privileged universities and is designed to help the poorer universities to grow and stabilize their development (Subsecretaria, 2001a). This distinct quality of FOMES must be kept in mind in order for the reader to understand the reason for FOMES' existence and why there is such a heavy reliance upon FOMES in much of the country. One of my main arguments is that FOMES is losing sight of its mandate to put all the universities on equal footing and, instead, winds up providing funding mainly to the universities under its mandate that are most able to apply for it and those that have the most money or resources. This point is discussed at length at the end of this chapter and in the following chapter.

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[12] To belong to a PIFI, a program must have ramifications for the entire institution, not just the faculty.

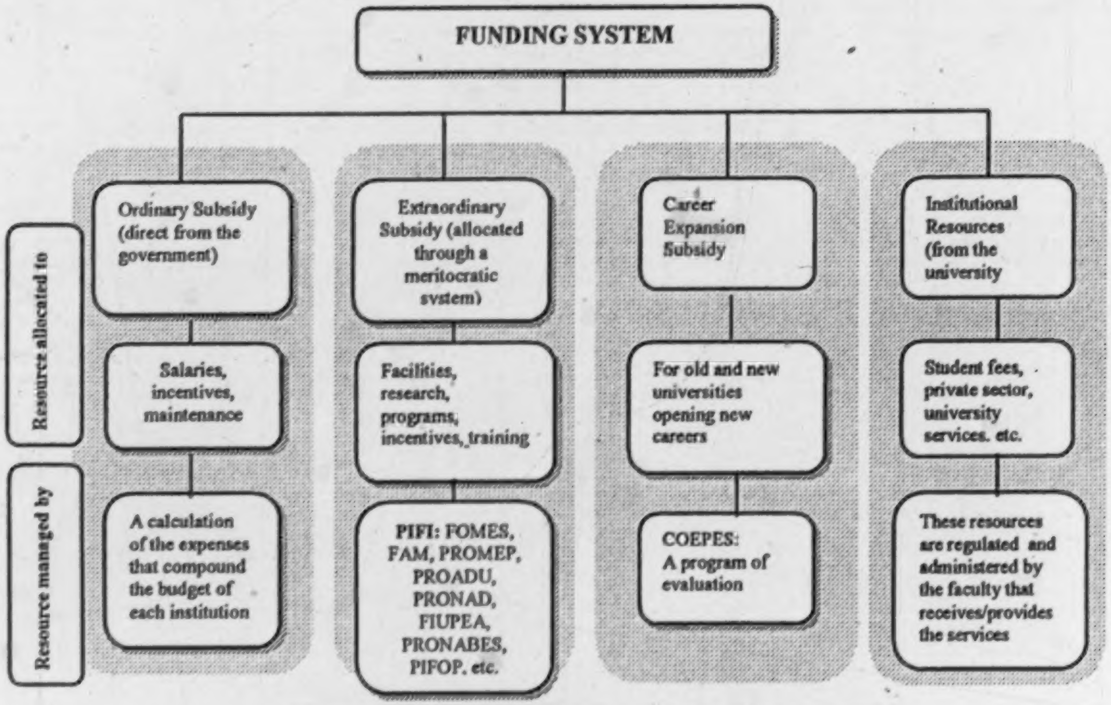
Figure 2 on the following page provides a better understanding of the structure of the financial system in Mexico.

FOMES/PIFI Characteristics

In FOMES documents discussing the rules for making projects (Subsecretaria, 2001a), the policy makers commonly describe FOMES with five words: selective, objective, transparent, temporal, and public. The aforementioned policy makers define those four words with respect to FOMES accordingly: It is selective because the universities applying to it are subjected to a competition in which only those following the rules of FOMES are the ones that get the support; it is objective because it analyses and selects the projects without biases; FOMES' transparency and publicity are maintained through the publication on its electronic page of its results in universities, projects that were approved, and the projects' characteristics; and, finally, FOMES is temporal in the sense that it is constantly being transformed (Subsecretaria, 2001a).

Projects Under FOMES

FOMES allocates money for two types of projects, for DESs (group of faculties, research institutes, or schools) and transversals (institutional projects; Subsecretaria, 2001a). The projects developed by the DESs have appointed leaders whose main task is to encourage the participation of the members of all of the *academic units* (a term used to describe faculties, research institutes, or schools). DES projects have to be developed by CAs or CACs. A CA is an *academic body*, defined as a group of full-time professors with


FUNDING SYSTEM
Resource allocated to
Resource managed by
Ordinary Subsidy (direct from the government)
Salaries, incentives, maintenance
A calculation of the expenses that compound the budget of each institution
Extraordinary Subsidy (allocated through a meritocratic system)
Facilities, research, programs, incentives, training
PIFI: FOMES, FAM, PROMEP, PROADU, PRONAD, FIUPEA, PRONABES, PIFOP, etc.
Career Expansion Subsidy
For old and new universities opening new careers
COEPES: A program of evaluation
Institutional Resources (from the university
Student fees, private sector, university services. etc.
These resources are regulated and administered by the faculty that receives/provides the services

This figure includes the sources of finding for Mexican Universities, the area to which thev are directed and the methods of administration

PIFI: To integrate the other programs within an institutional plan
PROMEP: For professors' upgrading
FOMES: For infraestructure directly related with academic activities
PRONAD: For the improvement of management activities
PROADU: Program of Support for the Universities' Development. A program of cooperation between institutions, for interchanges and links
FAM: Funding for Multiple Apportations. To equip fiscal spaces not necessarily related to accademics
PRONABES: For academic programs
PIFOP: Institutional Program of Strenghthening to the Graduate Level

Figure 2. Current financial system for Mexican institutions of higher education.

an accepted profile[13] who are working on a team project. A CAC is a *consolidated academic body*, which is a group of professors with a high academic rank attained because of their level of education, involvement in research, number of publications, and certification by the national associations of researchers in the country (Subsecretaria, 2001a). Transversal projects are developed by university sub-units that are not necessarily academic units. For example, those organizations might be libraries, computer centres, administrations, and so on. The objective of the transversal projects is to develop projects that will impact the university as a whole, and they must be developed by those responsible for the area from which the projects will emerge; they do not necessarily have to be developed by a professor or researcher (Subsecretaria, 2001a).

The process for getting funds from FOMES is as follows:

1. The participants are integrated into academic bodies. For DES projects the participants have to be full-time professors, preferably with a doctorate. For transversals, participation is open to anybody who belongs to a department.
2. A project is designed that meets the needs of every school, faculty, institute, or department.
3. The project is sent to the university administration for revision and integration within an institutional plan, known as PIFI.
4. If there are no suggestions from the university administration to the DESs, the institutional project is sent to the SEP (Minister of Education), where it will be reviewed and entered into a competition with other universities.

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[13] The department in charge of the definition of a desired profile is the PROMEP (another program of extraordinary funding). PROMEP requires that the professor has been or is involved in earning a PhD and acts as a researcher.

5. With the participation of specialists, SEP evaluates the projects and decides whether or not the projects should receive support; if so, it establishes whether they have to be fully or partially supported and sets a percentage of the support that the institution will receive.
6. The university is informed of the result of the competition, and likewise the university informs the DESs or transversal teams about funding support received for the year. FOMES publishes the results, but does not publish the criteria under which the decisions were made. If the university wants an explanation, it has to request it. According to my participants, the explanations do not always arrive, and when they do, they are seldom satisfactory (Subsecretaria 2001a).

Figure 3 explains the process of project development as suggested by FOMES.

FOMES as a Financial Mechanism

In the following paragraphs I argue that FOMES functions as a governing mechanism and that its later transformations reflect the government's efforts to gain more control over the institutions under the jurisdiction of FOMES. Furthermore, I argue that FOMES policies reveal the legitimacy and importance that financial values and practices have gained in the field of education. In order to demonstrate FOMES' role as a governing mechanism and its adoption of financial values and practices, I selected a list of the components that other authors considered to be key when trying to understand the values, tendencies, intentions, and direction of a policy. Such elements are described and analysed below.

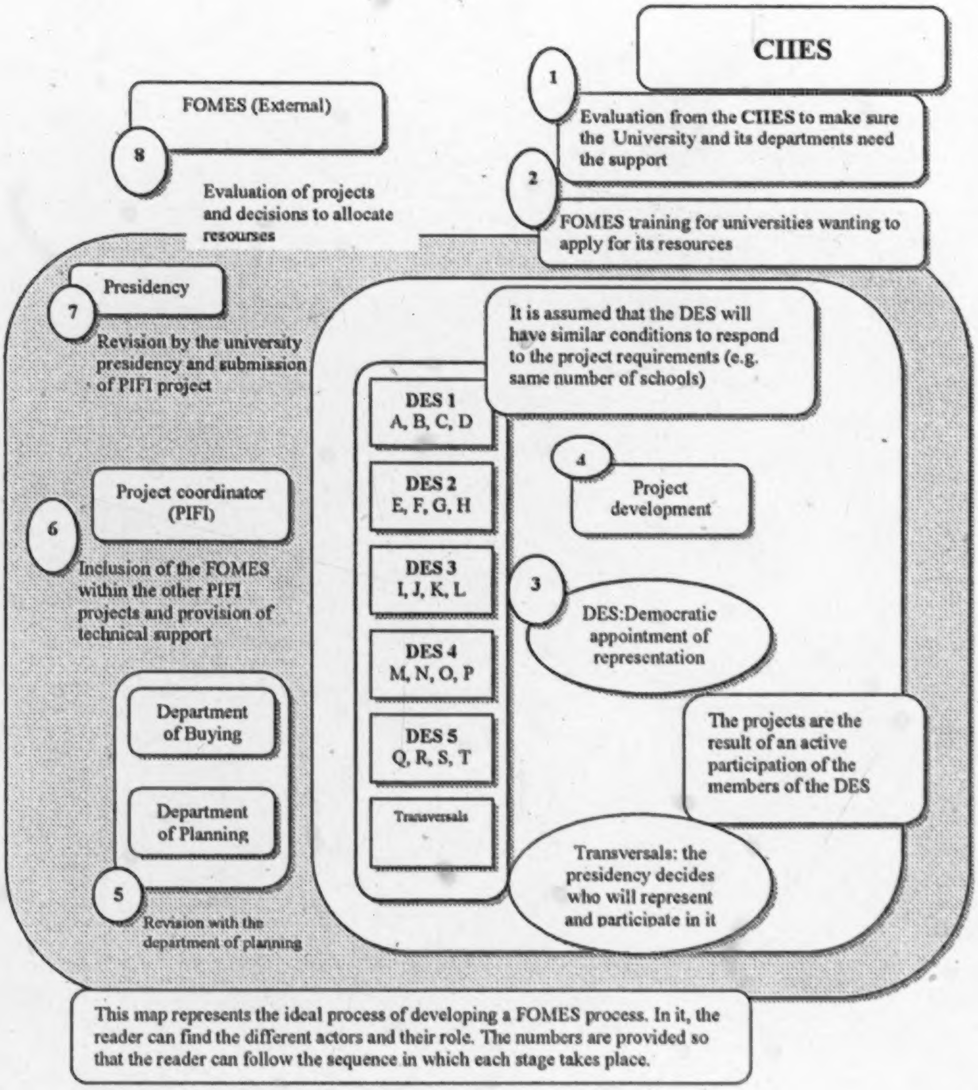

CIIES
1
Evaluation from the CIIES to make sure the University and its departments need the support
2
FOMES training for universities wanting to apply for its resources
FOMES (External)
8
Evaluation of projects and decisions to allocate resourses
Presidency
7
Revision by the university presidency and submission of PIFI project
It is assumed that the DES will have similar conditions to respond to the project requirements (e.g. same number of schools)
DES 1
A, B, C, D
DES 2
E, F, G, H
DES 3
I, J, K, L
DES 4
M, N, O, P
DES 5
Q, R, S, T
Transversals
4
Project development
Project coordinator (PIFI)
6
Inclusion of the FOMES within the other PIFI projects and provision of technical support
3
DES:Democratic appointment of representation
Department of Buying
Department of Planning
5
Revision with the department of planning
The projects are the result of an active participation of the members of the DES
Transversals: the presidency decides who will represent and participate in it
This map represents the ideal process of developing a FOMES process. In it, the reader can find the different actors and their role. The numbers are provided so that the reader can follow the sequence in which each stage takes place.

Figure 3. Project development process from a policy perspective.

Performance Indicators

PIs are a statistic, a number, or a qualitative description that provides a measure of whether or not an organization is performing as it should. They set the behaviours, activities, procedures, methods, and results that an organization values (Bruneau & Savage, 2001, p. 2). PIs are usually part of what an institution needs to meet in order to achieve its goals and desires, and they are meant both to satisfy the demand for accountability and to provide individuals within the organization with useful decision-making information (Bruneau & Savage, 2001). FOMES performance indicators set the trend for what is valued in institutions of higher education. Teamwork, full-time contracts, credentials (PhD), institutional planning, and accountability summarize the FOMES' performance indicators (Subsecretaria, 2001a). Such performance indicators are crucial governance techniques in that they set the path to frame the actions within a specific philosophy.

Although performance indicators have the potential to measure both qualitative and quantitative activities, current institutions limit their use to quantitative issues (Bruneau & Savage, 2001, p. 4). My argument is that relying on quantitative indicators to direct and improve the development of institutions impedes the visualization and orientation of all types of activities, both objective and subjective. However, government and financial programs prefer the quantitative types of measurement and enforce their utilization. Bruneau and Savage outlined the importance that government gives to these measurement tools and the consequences of their use:

> The past decade has shown how hard it is to measure what the university actually does. How does one measure the intangible of education—critical thinking, creativity, tolerance, wisdom? Nevertheless, measurement is what the universities

> are forced to do. Many governments have decreed that what is not measurable is not valuable. (p. 2)

They pointed out that, because quantitative measurements have the ability to improve the performance of the institutions, they tend to focus more on the aspects of control enabled by performance indicators: "PIs have become much more narrow in intent, and much more controlling in effect. They threaten to force public higher education backward to an authoritarian past" (p. 4).

Planning

Planning is not only a neutral instrument used to establish and control the time and the activities of a certain organization. Oakes et al. (1998) asserted that the activities of planning, which they called *business planning*, are subtle techniques of control and transformation and that "business planning should be seen as a profound mechanism of control, a pedagogic practice that can fundamentally change organizational identities by changing what is at stake: the capital—in Bourdieu terms—of an organizational and institutional field" (p. 258). According to these authors, the power of business planning lies in the people involved, who, through the utilization of language and construction of knowledge, become immersed in a process of transformation 'invisible' to them. Oakes et al. relate the nature of business planning to what Bourdieu defined as "symbolic violence." Because business planning is usually misrecognized, it becomes a mechanism of control that makes a social agent compliant (become partners) with his or her own subjection (p. 271).

In the case of FOMES' policies, the utilization of projects as a way to obtain money implies a process of planning in which the agents involved incorporate the rules of the financial institution to meet its requirements and, consequently, obtain the money (Subsecretaria, 2001a). Developing FOMES projects works as a mechanism of self-control because the people participating take part in the development of the rules that state how they will behave and what activities they will do in order to meet the elements of their project.

Reporting

Reporting is an activity of accountability that most often happens through quantitative measures. Nikolas Rose (1991) studied the role of numbers in democratic societies. He posited that numbers are an element of justification "that give legitimacy to political power of democracies" (p. 675). Foucault (1984b) argued that reporting is a mechanism of self-discipline in which individuals internalize the need to be accountable and the need to display the fruits of their labour as a way to show that they have internalized accountability (Foucault, 1984b, p. 189). I have explained this idea in my discussion about the panopticon in the third chapter of this thesis.

FOMES' emphasis on developing systems of information is consistent with the description of Nikolas Rose (1991). I believe that FOMES, through its requirements of evaluation and systems of information, is trying to obtain information to control and shape what is to be governed. Regarding the themes of report and evaluation, I would like to note that this is a powerful instrument to achieve governance; however, according to the participants, FOMES has not managed to create successful reporting techniques. FOMES relies only on standardized forms of evaluation that overlook details that are crucial to maintain control over peoples' utilization of resources. Although I agree with my participants' opinions about FOMES' failure to develop effective evaluation techniques, I also believe that FOMES' last transformation (joining with the other financial programs) mirrors an attempt to solve this problem and to become more effective in getting consistent and accurate reports.

Incentives

Awards are governing mechanisms that spread and reinforce patterns of behaviours desired by those in leadership positions. Incentives are a potent technique of control that internalizes in the minds of the individuals what is of value within the field. They are potent because individuals and institutions prefer incentives to punishments and because awards make individuals feel that their conduct is recognized and appreciated by the organization (cf. Hanushek & Jorgenson, 1996). Incentives are an interesting tool of transformation and control because they are difficult to resist and sooner or later achieve their intentions.

FOMES incentives are usually institution-based because both DESs and transversal projects involve the participation of all of the members that make them up (Subsecretaria, 2001a). FOMES incentives are evidently monetary but also prestige based, and they are the most important elements of the merit-based ideology wherein if the organization behaves as expected, it receives an award; if it does not, it does not receive the award or it receives a punishment. FOMES' institutional incentives are the approbation and support of DESs or transversal projects, although it is important to establish that FOMES does not always provides 100% of the award. FOMES also provides individual incentives as "recognition" of the professors' involvement in management and planning activities. Such incentives are in the form of points that the professors accumulate and use as signs of prestige in programs other than FOMES that likewise provide economic remunerations (Subsecretaria, 2001a). Most of the time incentives are the result of the institution's and individual's alignment with the established performance indicators, so they have the potential to control people's activities. Although incentives are mainly intended to encourage practices that "benefit" the institution, sometimes they result in the concentration of efforts or the creation of strategies to get the award. Incentives tend to make the worker do the job, not for the sake of the job, but for the sake of the reward (Izquierdo, 2000).

Punishment

Punishment is the negative stimulus that serves to make the participants aware of the importance of adjusting their practices to the rules of the "governor." Although one might think of punishment as a violent strategy of control, most of the time the violence used by these programs is covert, subtle, and "symbolic"(cf. Bourdieu & Thompson, 1992). The universities are not "obliged" to participate; in fact, if they decide not to follow FOMES' or another program's rules, nothing happens to them (Subsecretaria, 2001a)—they will not lose anything; FOMES will not fine them or charge them with a monetary amount; they will simply remain in the same state of economy and status. Foucault (1984a) wrote that discipline and punishment are the formula for domination. He described a type of internal punishment wherein the "body" of the individuals internalizes the "wishes" of the controller until obedience is achieved. Punishment works at the psychological level, for, as Foucault described, "Discipline increases the forces of the body (in economic terms of utility) and diminishes these same forces (in political terms of obedience)" (p. 182). In this quotation we can see how discipline encourages certain behaviours (such as obedience) and stops others (such as resistance).

It is apparent that in the case of FOMES the "symbolic" punishment is the rejection of the organization's projects by not providing funding or, in some cases, by providing only partial funding. Punishment is a significant technique because it makes the group of individuals unable to do their tasks. Punishment also lowers morale, produces unhappiness (Foucault, 1984b) in the individual and institutional life, and limits the activities of the institution; consequently, everybody tries to do the right activity in order to avoid punishment and, instead, receive awards.

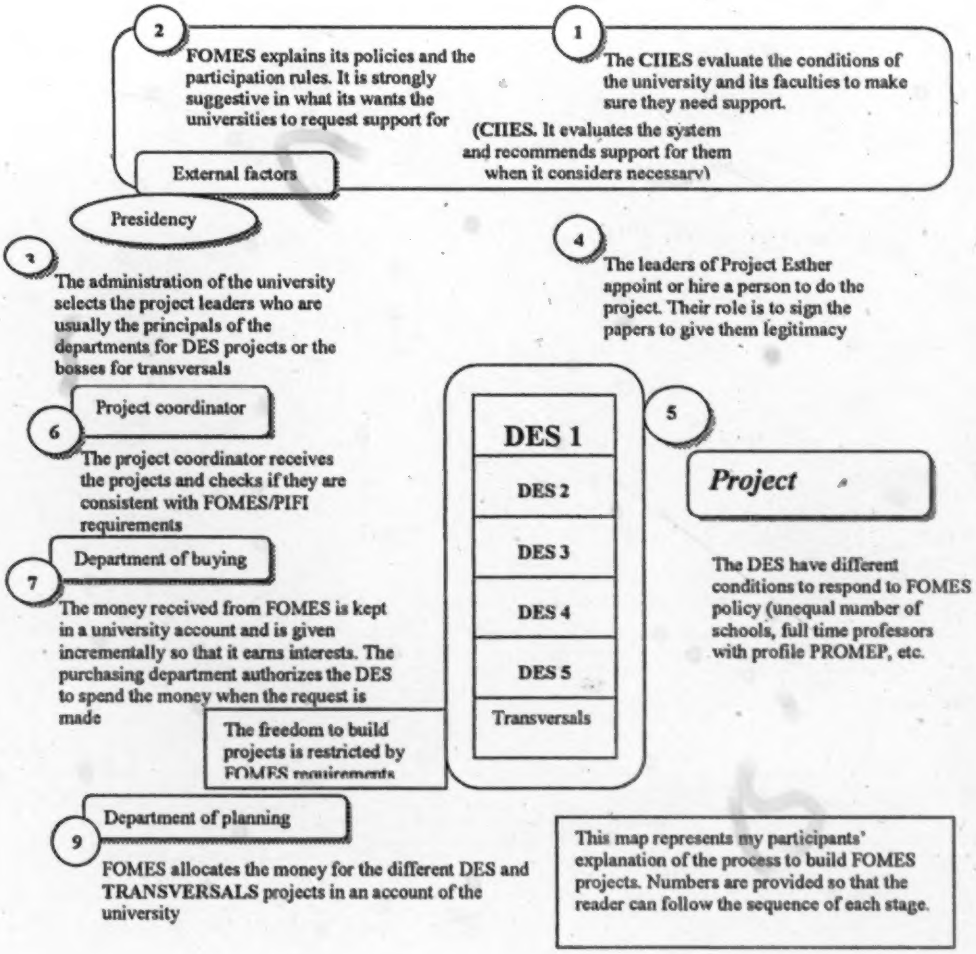
Competency

Competency is the result of the utilization of incentives. Governments usually resort to this technique within capital-restricted fields and when trying to adjust to the laws of the democracy (Kells, 1996b, p. 249; Kent, 1993, p. 80). As mentioned before, merit-based policies award only those individuals or groups who are able to demonstrate deservedness, which, in most cases, is related to their alignment with the rules.

With FOMES, every university and department within the university has the opportunity to apply for funds through the construction of projects (Subsecretaria, 2001a); few of them are awarded, however, and the elimination process works through the rules of "competency." As mentioned before, in resource-constrained institutions, competency techniques justify the decisions of the governors in that they can argue that they acted under the rules of "democracy."

Process of Project Construction as Seen by the Participants

Figure 4 contains my participants' perspectives regarding how projects for FOMES are built. This figures juxtaposes how policy documents describe the process and how the participants interpret it, and serves as an introduction to the more detailed



FOMES explains its policies and the participation rules. It is strongly suggestive in what its wants the universities to request support for

The CIIES evaluate the conditions of the university and its faculties to make sure they need support.

(CIIES. It evaluates the system and recommends support for them when it considers necessary)

The administration of the university selects the project leaders who are usually the principals of the departments for DES projects or the bosses for transversals

The leaders of Project Esther appoint or hire a person to do the project. Their role is to sign the papers to give them legitimacy

The project coordinator receives the projects and checks if they are consistent with FOMES/PIFI requirements

The DES have different conditions to respond to FOMES policy (unequal number of schools, full time professors with profile PROMEP, etc.

The money received from FOMES is kept in a university account and is given incrementally so that it earns interests. The purchasing department authorizes the DES to spend the money when the request is made

The freedom to build projects is restricted by FOMES requirements

FOMES allocates the money for the different DES and TRANSVERSALS projects in an account of the university

This map represents my participants' explanation of the process to build FOMES projects. Numbers are provided so that the reader can follow the sequence of each stage.

Figure 4. Process of project construction as seen by the participants.

perspectives of FOMES policies that I provide in the following chapter. As seen in this figure, there is a considerable discrepancy between the policy description of the process and the policy as practiced in the field. In the following chapter, as I explain the expected and (un)expected results of the financial mechanisms, I provide an explanation of the reasons for this discrepancy.

Summary

Having dealt with the history, the characteristics, the objectives, and the practices of FOMES, and having analysed the financial techniques utilized therein, some issues still remain, and some questions need to be answered. After describing the conditions that FOMES sets for the university in order to receive funds, it remains questionable whether or not such a process is indeed as democratic as it proclaims to be. The trend toward globalization appears in Mexico's inclusion in the FOMES documents the jargon used in the literature and the theory discussed in previous chapters. FOMES' desire to describe itself as a democratic and meritocratic organization is clearly mimetic, borrowing from economic theories used in other countries such as Canada, the United Kingdom, Australia, France, and the United Sates of America (Bruneau & Savage, 2001, p. 31; Cooper & Robson, 1990; Neu, Campo, Garcia, & Flores, 2002; Oakes et al., 1998; Torres & Puiggros, 199).

It is a surprise to realize that the DESs that make up the structure of the University of Knowledge have considerably different conditions that, in most instances, determine their ability to "equally" participate in the FOMES/PIFI "competition." This circumstance is in contradistinction to the theories supporting FOMES policies, which assume that in a meritocratic system there is some level of egalitarianism, wherein vast dissimilarities between entities do not occur; and should such dissimilarities occur, the entities do not compete with each other, but only with entities possessing equal capital. (Sacks, 1999) In the following chapter I return to this theme and consider the consequences when organizations with different structures are made to participate in the same "democratic" process. I also provide statistical evidence to highlight the relation between the DES conditions and the funds allocated to them.

Another issue to ponder is how effective the program (FOMES/PIFI) is in achieving its objectives. I believe that the university and the participants involved in the projects utilize methods to "meet" or resist the program requirements. In the third chapter I called this activity *fabrication of information*, and I argued that the conditions of the institutions force them to respond in particular ways that are not always consistent with the expectations of the *governors.* The following chapter furthers this argument.

Also important are the contrasts between policy and practice. While conducting the interviews for this study, I realized that the processes and rules described by the FOMES/PIFI guides were in some cases significantly different from what my participants described as the processes they follow in practice. In this chapter I have provided two charts: Figure 3, which explains the process established by FOMES/PIFI; and Figure 4, the process as seen by the participants; and I contrast their characteristics.

Also in this chapter I have provided a description of FOMES in Mexico, framed the activities within other financial projects, and explained FOMES' criteria to allocate money. This chapter was mostly based on my interpretation of FOMES policies; the following chapter discusses the same issues but mainly concentrates on the perspectives and interpretations of the participants of this study.

CHAPTER 6

DATA ANALYSIS

> The disciplines characterize, classify, specialize, then distribute along a scale, around a norm, hierarchize individuals in relation to one another and if necessary, disqualify and invalidate. (Foucault, 1984c, p. 212)

Throughout the previous chapters I have drawn a picture of the system of higher education in Mexico: its government, its characteristics, its structure, its actors, its finances. I have specifically concentrated my description on the current financial techniques utilized by the government, and from the vantage point of the theoretical perspectives I have provided a perspective of the financial techniques taking place in the institutions of higher education. The perspective of such financial techniques offers an explanation of what the authors predicted as the consequences of using them. Such explanation also included FOMES' ideal expectation of utilizing said techniques.

The following section of this study attempts to contrast the theoretical and political prospects with the practical scenario. In this section I analyze my participants' perspectives and interpretations of the financial policies. I posit that the financial policies have a double edge and therefore have the potential to originate two type of results: the expected and the (un)expected. I argue that although financial techniques have managed to achieve 'success' and to produce intended results, they also have encouraged behaviours that I classify as unintended, as failures of the technique.

Table 4 presents my general interpretation of the expected and unexpected consequences of the policy application and also represents a summary of the contents of the chapter.

Table 4

Expected and Unexpected Consequences of the Financial Policy Application

Issue	Expected, achievements	(Un)expected, failures, side effects
Techniques	To control people: 1. Fragmentation of resources: useful to justify differentiated salaries 2. Informing/reporting: to self-discipline people, to achieve control at a distance 3. Incentives: to influence and transform behaviours. 4. PIs: to measure people's performance 5. Planning: to make people active participants in their own transformation 6. Evaluation: to render the activities of a field visible 7. Punishment: to encourage obedience and to diminish resistance	To be controlled by people: 1. Fragmentation of resources: confusion for both government and universities, changes values of solidarity for competition 2. Informing/reporting: fabrication of information. 3. Incentives: deviation from the mandate of the university. 4. PIs impede the visualization of qualitative activities, restrict freedom, encourage playing the game 5. Planning: used as a façade to make the authority think that they are working. 6. Evaluation: altered by fictitious methods of accountability to maintain invisibility or obscure visibility. 7. Punishment: produces subversion.
Capitals	Utilization of a merit-based financial system that values: • People's credentials	Stratification: fewer possibilities for those who do not have the "right" capital Weary and frustrated professors Subversion.
Habitus	*Thoughts and Perceptions:* • Vocabulary • Perceptions • Internalization of rules *Behaviours and Practices:* Competition, efficiency, self-evaluation, accountability	Perceive the system as a game and learn the rules to play the game their way. • Fabrication • "Symbolic compliance"

The expected results represent the predictions of theory and policy, as well as the levels of success of financial techniques. In this section (expected results) I will talk about the transformations in the university that I perceive as consequences of the introductions of these techniques. The second section (unexpected consequences) represents the "side" effects of the utilization of financial techniques from the perspective of my participants and from the perspective of some theoreticians.

Financial Techniques

Fragmentation of Resources

Achievements

During the decade of the 1990s the government strategy shifted from direct funding to conditional funding (merit based). It was during this period that most of the programs of extraordinary funding were created, and those that already existed were restructured. It took approximately 10 years for the government to transform the methods of funding allocation—10 years in which the government subtly reduced (or simply did not increase) the percentage of funds allocated to the educational sector.

In the beginning, the extraordinary resources were seen as *extra* resources (as the term *extraordinary* implies) for the universities' activities. Particularly, FOMES resources were seen as resources for the "modernization" of the institutions of higher education, as "investments" from the government to the universities. When I asked Camila, the participant who represents the administrative level in this research, what the discourses used by the government to justify the creation of FOMES were, she answered, "Basically, it was about investments; that is to say, not to spend the money on salaries but on the acquisition of equipment, which in the long term, is an investment." In my opinion, "investment" is a word that implies that the money spent in that category will be recovered. But it is interesting how this quotation separates the expenses into two types: those that can be recovered (equipment) and those that cannot be recovered (salaries), and I believe that this separation represents the beginning of a rationalization of supports, the implementation of performance indicators, and the direction and values that were later incorporated into the financial policies. I said earlier that the government had less money to spend on higher education, after which I described how it introduced methods to give "extra" resources. This description sounds contradictory, in that government is spending money that it did not have instead of reducing its expenditures. However, when looking at how the funding works nowadays, I understand why the allocation of these resources was seen as an investment. In the following paragraphs, I explain my position.

My assumption is that with the introduction of these methods of funding, the government accomplished the transformation of the former system with little resistance. Although the idea of the extraordinary subsidy was originally to provide extra funds, it currently represents the most important source of income for the university. Where the money is spent is predetermined, and it can be obtained only if a need for it can be shown. When talking with Camila about the importance that FOMES funds have to the University of Knowledge, she commented, "The ordinary subsidy given to us is barely enough to meet the most basic needs of the institution. All the needs related to the development of the institution are solved through money with conditions, indicators, policies, criteria, etc."

Later in our conversation she shared with me her desire, and the efforts of the University of Knowledge and other universities in the country, to propose a plan to go back to the previous system. This led me to ask her, "If you had a chance to change FOMES/PIFI policies, what would you change?" She replied to my question by saying, "I would change, if it was possible, the policies that fragment the resources in different categories and utilize different programs. I would join all the extraordinary funds within one program included within the ordinary funds." The ordinary funds, as explained in Chapter 5, come directly from the government and are allocated by default to the universities; thus I understand her suggestion to fuse the ordinary funds and policies with the extraordinary to mean that she desired a system very similar to the one that used to operate 10 years ago. However, she did not want to have a system of funding allocation without "rational" rules, such as the one seen 10 years ago. She had now internalized the need for indicators but still desired that the indicators and the allocation be through a unique program, the ordinary one. When describing her ideal system, Camila mused:

> There should be only one financial program managing all the resources according to certain indicators and formulas. This would allow the universities to recover their essential tasks, which are teaching, generating knowledge through research and diffusing culture. The universities should not be institutions whose main focus is getting resources.

It is likely that the government will not go back to a system that has a general method of funding allocation. There is a tendency within the government to freeze ordinary resources and, as Camila pointed out, to provide the most meaningful funds through extraordinary programs, through competition, and through meeting specific indicators, criteria, and conditions.

The fragmentation of resources can be viewed not only as a strategy to rationalize the money given to the universities, but also as a technique to covertly cut resources and subtly deny an equal allocation of resources to the universities and the departments within them. Even though the last structural adjustment integrated the extraordinary programs into PIFI, those applying for funds are still developing separated projects and receiving support in a different way and under different criteria.

Unexpected Behaviours

The fact that the government has fragmented resources does not mean that their areas of intervention are clearly differentiated. The current financial programs have been gradually appearing. The government created them little by little, and throughout their genesis, they have been constantly transformed and adjusted. As I said before, FOMES was one of the first financial programs of extraordinary subsidy created by the government, and in its origins it would have several areas of intervention. With time other financial programs were created, but it was difficult for the participants and even for the government, to understand the delimitation of each program. As a result of the confusion, the participant DESs and departments within the university duplicated their requests, a practice that later became severely sanctioned and the reason for the development of a system of information and the re-fusion of the extraordinary subsidy into the PIFI. Juan explained this issue to me, describing how the government changes the "rules of the game" every year and how it is never totally understandable what FOMES prefers. Thus, contrary to what the government expected, the DESs started to duplicate their petitions within the different financial programs, thus making the government spend twice for the same need, and probably abandoning other essential needs.

Another problem produced by the fragmentation of resources is the one related to the competitions. DESs suddenly became entities competing for the same resource, consequently changing their relations and attitudes of solidarity to competitive and animus attitudes. For example, Juan explained that

> there were times when the leader of the DES would sneakily remove the interests and needs of the departments that were not theirs in order to occupy the whole project with the needs of the departments that they were representing.

The different DESs, and even the different departments that comprise a DES, see each other as enemies that have to fight to win a reduced resource.

Information Techniques

Achievements

From the vantage point of the theoretical framing, I perceive that the systems of information are becoming uniform. My argument is that joining the extraordinary financial programs within the PIFI, rather than being a response to the universities' complaints and discomfiture over having such a fragmented financial system,[14] is a strategy to gain control over the universities' activities. As Foucault (1984b) said, "It is this intention of visibility in the functioning of the disciplines that was to assure the exercise of power even in its lowest manifestations" (p. 200).

Having the extraordinary programs separated was causing problems of control basically because, when having separated systems of information, it was easy for the universities to make up information. In Chapter 5 I mentioned some of the problems related to this issue. I also talked about it with my participants; I asked for their perceptions regarding the integration of extraordinary funds within the PIFI. Esperanza, a participant within the group of people working at the administrative level, said:

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[14] The biggest complaint was that the people involved in getting resources had to spend lots of time reporting the same information, using different formats and databases, to every one of the extraordinary programs. The participants in projects categorized these types of activities as a waste of time.

> The different departments within the university were abusing having independent and separated evaluations, so they were duplicating the requests for resources, with PIFI that will not happen as easily, because [the government] will have major control over what is requested to all the financial programs.

Although gaining control over information and activities was not the only objective of PIFI, the participants perceived it as the primary objective. Camila said that

> the effect of fragmenting the funding in so many budget envelopes generates inconsistencies in information; PIFI fusion will control this, . . . allowing [the government] to see how confident the university is, how efficient it is for the management of resources, and providing a clearer view of the academic impact of the resources.

Later on, she mentioned that she did not mind PIFI doing this because she thought that it would have positive results for the university. But in the same breath she insisted that ordinary and extraordinary programs should become one program.

Rosa, the external informant, explained that the government intends to blend the extraordinary programs within PIFI, not only because it wants to have more control over the university activities, but also because the government wants to have an automatic system of information to facilitate the administration and management of universities, and it believes that PIFI integration would facilitate this. Joining programs would unify the information of the universities, which would produce similar information and expedite the comparison of their activities, their characteristics, and their resources. Camila added that the systems of information has as an objective to build common platforms of information about the universities in the country.

Edward Said (1993), in his studies of control at a distance, explained that when empires desire to gain control of distant territories, they structure systems of information to discover the activities of the territories, which facilitates its transformation and the government's intervention. A common platform of information facilitates the integration of the different entities within a network of power relations (Said, 1993, p. 20). Foucault (1984b) also captured the idea of information technologies and recognized them as techniques of control and homogenization. Such techniques are useful because they allow comparisons, classifications, hierarchies, measures, and ranks that are useful to discipline and control (p. 197).

Unexpected Behaviours

Alfonso, a participant who worked on the construction of various FOMES projects, in a more pessimistic and sarcastic tone answered my query by saying that with the integration of the extraordinary projects within a general program, what the government was doing was "increasing the boondoggling" while at the same time making them more difficult for the universities. He specifically said:

> When the programs were separated, it was easy to play with the information provided to the government because they did not have a common system of information. With this restructuralisation, the universities have to make sure that they are being consistent with the information they report because the government will be able to cross check and compare what is being said to it.

What Alfonso implied is that, even though the new information techniques make more difficult the alteration of information, it is still possible to cheat. It is just a matter of learning the new rules and finding ways to circumnavigate them.

Another problem with the information techniques is their lack of flexibility and adaptability to the real practices utilized within the university. FOMES and SEP utilize standardized forms to report information, and my participants were unanimous in their belief that such forms are inflexible, simplistic, and, in most instances, inapplicable to their realities. For example, Camila commented:

> The Ministry of Education (SEP) requests us to make technical and financial reports and provides us with formats to inform them of the expenses of the university. At the same time, we are required to attest that the money was spent as we reported. Such a process is done through receipts, vouchers, etc. All of this becomes very complex because the universities tend to lie. I'm very sorry to say it, but they tend to falsify information.

The forms of the reports are intended to function as a mechanism of evaluation; however, they still have several weaknesses and inconsistencies that encourage the participants to fabricate information in order to adjust to the policy requirements and to survive in the system. In this thesis I posit that these activities (fabrication and cheating) are encouraged implicitly by a system that demands procedures and results that, because of the conditions of the participants, are difficult or impossible to meet. I see these practices as methods of surviving in a system that requests more than the conditions of the participants or the natures of the faculties where the participants work allow them to give. Even though FOMES wants to help needy universities, it is not being realistic in its requirements because the needy universities do not have the infrastructure and/or skills required to obtain the money and will not easily have it if support is not given.

Incentives

Achievements

I perceive three reasons for the government to use incentives: first, to encourage agreement and acceptance of the changes it introduces; second, to convert the members of the university to become its allies in the change; and third, to justify differentiated salaries. In the fifth chapter I provided a description of the scope of incentives and discussed them from the theoretical perspective. In this chapter I attempt to link the theory and policy with the examples provided by my interview participants.

When asked about the reactions of the professors who have to create projects to apply for resources, the responses of my participants were uniform in that the professors do not like participating in compulsory projects. Juan simply said, “It does not make them happy”; and Alfonso replied that although there are people who typically enjoy working on projects, upon seeing the projects as a method to control money and resources, if given their “druthers,” most professors would not participate because the projects are time consuming and distracting from their academic interests and professional activities, wherein they see more opportunities to grow. Esperanza pointed out that the professors react with frustration mainly because the projects distract them from their research activities. Camila replied that having to work on projects to obtain funding upsets the professors, particularly when it is the same professors (profile PROMEP) already required to participate in the construction of all of the other projects created to apply for funding. She believed that the professors are overwhelmed by these tasks.

After my interviewees described the attitude of the professors asked to participate in the construction of projects, I asked them how, with this type of reaction, the university and the government stimulated the professors’ participation. With their responses I realized how strong the incentive techniques are. The previous chapter described the power of incentives to manipulate people’s behaviours, and with my participants’ answers I realized that incentives do indeed “buy” the will of people. It is important to point out that in this case professors are inclined to adjust their behaviours in the direction "proposed" by the incentives because their basic salaries are minimal, almost insignificant. Most professors with good salaries have attained their salaries by participating in projects and receiving the incentives.

According to my participants' responses, the university manages to get the collaboration of professors by giving them points that eventually become money. Camila noted that SNI, the National Program of Research, used to value and award researchers and their intellectual "production" (articles) and teaching activities, but now it has introduced another category known as *management activities* to measure the performance of researchers. Nowadays SNI rates positively the professors' involvement in administrative activities; participation in projects to obtain funding is classified as an administrative activity. Camila explained that the professors participate because they accumulate points for SNI and other organizations, points that eventually become money, and that when combined with the points from the other activities that these organizations value and grade, the professors enhance their prestige as researchers. Esperanza also talked about the strategies to encourage the participation of the professors:

> The university gives a document saying that the professor participated in management activities. Such a document is useful because the incentive program recognizes it and gives points to the professors; such points eventually are converted into monthly tax-free payments. SNI also recognizes this type of document where the professor demonstrates his or her participation in management activities; this did not exist before; it was just implemented.

Esperanza's comment provides elements needed to argue that the government and the university authorities heavily rely on the technique of incentives to introduce transformations. It also implies that the newer transformations in matters of incentives are strengthening the support for management activities by recognising them and by rewarding the professors' involvement. In doing so, the government and university ensure the participation of the professors, grudgingly or otherwise.

Side Effects

Personnel can easily find their way around a policy. In this case I perceive an increased interest in getting the incentives, but not in actually making any improvements. The attraction for incentives distracts the university and its personnel from their main mandate, which is teaching, researching, and service to the community. My participants testified that people concentrate more on receiving individual and institutional incentives than on developing worthy research or improving their teaching techniques:

> The effects generated by a system that functions based on incentives are pernicious, wanting to solve a problem [the willingness to participate]; they generate worse problems like fabrication of documents, lies, denaturalization of the university by changing its focus on science and culture for management and incentives.

Camila and the other participants complained bitterly about the contradictory effects produced by incentives. They highlighted the pernicious effects of incentives and shared their concerns about this type of policy affecting the outcomes of the university.

Performance Indicators

Achievements

Performance indicators were also discussed and described in the fifth chapter, and to tie that description into the comments of my interview participants, I will provide some quotations and annotate them through theoretical perspectives.

There are two levels of action that act not only as strategies, but also as goals. In other words, they create the ends and the means, the means being the ways to achieve the goal (e.g., through incentives, through accounting systems, through systems of information, etc.), and the ends being the goals or objectives (e.g., to manage the university with fewer resources). But along with the goals or objectives they establish details, specifications, definitions, or, more precisely, measures. Simply put, performance indicators are like markers along the way to a goal that allow those seeking to achieve the goal and those tracking the performance to know how far off the goal remains. If the goal were the finish line on a racetrack, the performance indicators serve as checkpoints, allowing the officials and drivers to know how well the drivers are doing in the race and how on track they are or whether they have taken unscheduled detours. Like the checkpoints on a racetrack, performance indicators are not flexible or negotiable; they all must be met if the results are to be acceptable.

When one reads the official documents of FOMES and other financial programs, one finds the performance indicators throughout every paragraph, and although sometimes the way in which they are included makes them arcane, they are there nonetheless, and they indicate the paths to take.

What I would like to discuss in this section is the convenience of PIs in a time of economic restrictions and their effectiveness to meet governmental intentions. I suggested before that, through a merit-base financial system, the government justifies itself when allocating different resources for the institutions of education; in addition, they manage to manoeuvre the people's behaviour and attitudes. On this issue, Bruneau and Savage (2001) commented:

> Performance indicators neatly transformed blame for the consequences of these cuts from the governments which inflicted them to the universities and their faculty. With this has come a series of sometimes vituperous attacks on the university community by neo-conservative critics who insisted the university was to blame for its own difficulties, not the relentless budgetary attacks of Thatcherite governments. (p. 3)

It is interesting to see that the participants in this thesis seem to believe that assuming the blame is the proper attitude when not receiving resources. Camila understood why two DES groups receive less money than the others do. It is, she reasoned, because they do not have professors with the right profile to create projects. Although she also pointed out that the rule of having full-time professors participate in funding requests is a rule that does not nicely fit with all the DES groups and thus encourages stratification. I discuss the theme of stratification in greater detail in a later section.

The participants' comments on being successful or unsuccessful when creating projects that bring money to the university show that they understand the rules of FOMES' game in the sense that they have internalized that the money has strings attached. They want to meet the conditions because they want to receive the money, so they have adapted their activities and behaviour according to the rules. Juan provided an example of a time when the DES that he represents was not sure of what FOMES was supporting that year, and because of that confusion, his DES lost money. He explained that he perceives that FOMES' rules change every year and that these changes produce confusion:

> Every year they change the rules of the game. . . . A not very nice experience we had was in the 98. . . . It was not clear if that year FOMES was going to support research or teaching. This DES has a very important hybrid in teaching and research; both are important, academically speaking. Research is obviously more expensive, but we can't leave it behind because without research we can't have the highest quality of teaching. Finally, we chose teaching, and our research needs were justified, saying that they were essential to cover the needs of teaching for both undergraduate and graduate. It was a project directed to support teaching, but the SEP gave preference to research, and we didn't do well in that project. They gave us a very low amount, and we felt very disappointed, confused, sad, . . . dumb. We thought we did not know through which window to take our project.

This comment confirms what the previous quotation from Bruneau and Savage (2001) indicated was the intention of performance indicators. The merit-based and performance indicators-based systems justify differentiated support. If they meet the indicators and display the behaviours that demonstrate their deservedness, they receive the money; and conversely, if they do not do what is required, they do not receive the money. Regardless of what happens, all is justified and the blame is taken off of the government.

Performance indicators manage to set the path that they want the universities to follow; however, this does not mean that they are beneficial for the university and its members because sometimes they find ways to beat the system. They observe the letter of the law instead of the spirit of the law. I will approach this theme in the upcoming paragraphs when I talk about the (un)expected consequences of the rules.

Side Effects

According to the participants, FOMES is openly biased in what type of projects it will support. Alfonso related that, in the information meetings that FOMES organizes, the leaders of projects have "subtle insights" into what FOMES would prefer and therefore support:

> The worst of all is that it is not hidden; it is very explicit. You arrive to the FOMES meetings, and they tell you in a microphone [emphasizing that it is said loudly], "Remember that we now want you to request blue marbles," so you say, "Blue marbles are exactly what I am needing" [with a sarcastic tone]. Later they say, "If you request green marbles, there will be a risk for you not getting them." Then we decide if we want to take the risk, but we had better build our projects oriented to what they say they'll support.

However, they have the "freedom" to build the type of project they want or need, with the knowledge that only those within FOMES' preferences will be financed. Camila's comment was that FOMES gives them freedom to build projects, but that such freedom is limited to certain frames, to certain parameters. To provide me with another example of the way that FOMES "leads" universities to do what it wants them to do, Camila stated, "It is clear that if the university presents a project about following up on alumni, they will support it. . . . Another need they will support is computers." She told me that it does not matter if there is a more important need; FOMES is very biased in what it supports.

Planning

Achievements

Planning serves as a strategy to actively involve the participant in its own subjugation. In the fifth chapter I explained that planning is used as a technique of control and transformation. Its effectiveness stems from the power that the utilization of words, methods, ideas, and strategies have over the individuals' minds. The participants unconsciously internalize a pattern of behaviour, and each suddenly becomes its own controller of time, procedures, activities, objectives, and so on. In the Mexican universities every extraordinary resource is obtained as a result of a project. A project implies the development of plans, and every plan involves the utilization of specific strategies and techniques valued by the system. After practicing the vocabulary needed for the projects, the participants in projects absorb and integrate it into their way of thinking. Camila said, "FOMES promotes particular plans, but we are also interested in developing as a university internal plans with our own indicators."

Side Effects

A problem with the governmental plans is that so many changes of legislation have weakened their effectiveness. Juan expressed his frustration in this regard when he explained that in 2001 FOMES/PIFI requested long-term plans (2001-2006). Starting this task was very difficult because the participants lacked tools to predict the future, for, as Juan wryly noted, "We didn't have a magic ball to predict the future." In order to satisfy FOMES/PIFI requirements, they "invented" something: "Our strategy was to write very general descriptions," he said. Finally, Juan pointed out that for some reason FOMES/PIFI realized that these types of plans and "predictions" were not useful, and in 2002 he and his colleagues were asked to develop a new project with short-term plans. He described the experience as disappointing because they thought that with the long-terms plans they would not have to develop a project for six years; however, their work was "all for naught," forgotten after the new, short-term plans were created.

Evaluation

Achievements

In the FOMES guide, there is a section defining how evaluations should be done (Subsecretaria, 2001a, p. 14). This section states that FOMES should perform two types of evaluations: continuous follow-up (short-term evaluations) and an evaluation of final results (long-term evaluations). Both evaluate academic and financial activities. The evaluations of the academic activities are intended to determine to what extent the academic goals were achieved, as well as their scope and overall impact. The financial evaluations serve to demonstrate that the allocated resources were used as planned in the projects presented by each university to the government through PIFI.

Evaluations have the potential to control the inhabitants of a given field; however, if the techniques of evaluation are not properly applied, they lose effectiveness. FOMES' evaluations, as described by my participants, lack the tools and skills to perform these evaluations. For both qualitative and quantitative evaluations there are all sorts of techniques and methods that permit the obtaining of confident reports. For quantitative evaluations, the utilization of complete and complex statistical tools is essential to get to know the activities of a person or group of persons at an institution (Berne & Stiefel, 1984). For qualitative evaluations, there are considerations and methods that help increase their confidentiality and make them less biased and therefore more valid (Ball & Brown, 1968; Froese-Germain & Canadian Teachers' Federation., 1999). Whereas the utilization of these types of tools is probably common and expected in other countries or institutions, most people in Mexican universities claim to be unfamiliar with these techniques and thus do not utilize them (Kent, 1993).

All of my participants justified themselves and their lack of familiarity with these types of calculations by saying, for example, "We do not have a culture of evaluation in this university or in Mexico," "culture" meaning the knowledge, skills, familiarity, and naturalization of the practice of evaluation. Evaluations and self-evaluations require training. People need to know what is to be "measured," what tools to utilize to measure it, and how to measure it (Sacks, 1999). Not knowing that information could alter the results, rendering them useless (Foucault, 1984b, p. 200). In the case of the University of Knowledge and FOMES/PIFI, my participants testified that FOMES' evaluation system has many weaknesses that reduce its potential to control the field.

Having a description of mechanisms of evaluation with so many weaknesses made it difficult for me to decide whether or not anything had truly been achieved by them. As seen in this analysis, my participants had common and constant complaints about the inefficiency of FOMES' financial mechanisms, and although at first these made me think that FOMES' mechanisms of control through evaluation were not functioning, after reading the interviews several times I realized that FOMES has had a modicum of success. FOMES' level of success is shown where the participants have internalized the need for evaluation and the important role that it has in managing an organization's activities because of the information they provide. My participants' internalization is found in their speech, because as they talk about evaluation, they are concerned about its success, criticize the current system, and provide suggestions for its improvement.

Although Foucault (1984b) emphasized the construction of self-sustaining, long-distance mechanisms of evaluation, he also noted that "effective" evaluations occur when participants internalize the mechanisms. Thus, even though Camila told me that they know about other universities that have been evaluated and that they would not like to be taken by surprise (a comment that reflects a sense of internalization of the "danger" of being unexpectedly evaluated), I believe that the participants thought of direct evaluations as a low risk, as an almost non-existent threat. Therefore in the absence of some form of direct evaluation, it appears less likely that participants would internalize these disciplinary mechanisms.

Failures

On the topic of evaluations, the participants held that the evaluations are not thorough enough and were in agreement that FOMES evaluations lack depth and detail. For example, Alfonso explained that the evaluations ask for estimations of progress and completion rather than using performance indicators to gauge progress. Theorists maintained that the potential of an evaluation is lost if it is not a close examination, with thorough questions and tight themes (Bruneau & Savage, 2001; Foucault, 1984b). In order for evaluations to affect people's decisions, behaviours, and attitudes (about whether or not they want to change), the evaluations have to reflect or expose the activities of the field so that they give a better perspective of what has to be changed. Foucault described how examinations ought to be if effective results are desired:

> It is the fact of being constantly seen, of being able always to be seen, that maintains the disciplined individual in his subjection. And the examination is the technique by which power, instead of emitting the signs of its potency, instead of imposing its mark on its subjects, holds them in a mechanism of objectivication. In this space of domination, disciplinary power manifests its potency, essentially, by arranging objects. The examination is, as it were, the ceremony of this objectification. (Foucault, 1984b, p. 199)

Foucault's comment highlights the importance of being seen. The function of an evaluation should be to allow confident visibility of the activities of a field—confident in that those who are being evaluated confide everything required of them because they know that if they do not, they will be found out anyway, and so that those evaluating can be sure that what they are reading is accurate and up-to-date, resulting in all involved with the evaluation having faith in the process of evaluation and using it accordingly. The Mexican government tries to make the activities of the field of education visible, but it seems it has hitherto had little success.

Evaluations forsake the academic for the financial. When I was conversing with my participants about evaluation, I understood them to say that when they thought about evaluation, they reduced this mechanism to economic issues. This is perhaps because FOMES puts more emphasis on financial issues and also because financial evaluations are easier to obtain because of their objectivity (due to their qualitative nature). Their experience of more careful evaluations and reporting of activities is reduced to showing, through receipts and vouchers, that the money was spent as planned. When dealing with finances, FOMES is clearly more concerned about ensuring that the money is being well spent. This emphasis on financial accountability has perhaps affected the way in which the personnel of the university perceive evaluation. When asked about impacts on the field and significant changes, the participants had few examples, whereas they were able to provide several examples of monetary evaluations.

Another problem that the participants found is that FOMES rarely performs direct evaluations. The participants knew about some universities being evaluated directly by FOMES personnel, but none of them had experienced such an evaluation at the University of Knowledge. Roberto, when asked if he had ever been directly evaluated, replied, "Until now, never. The only evaluations we have ever had are when they verify if we actually need the money for the projects."

Rosa, the participant who worked for the government, explained why FOMES does not go to every university to check whether things are being done properly: "They do not have resources or enough personnel to perform evaluations in the field, so they have to trust what the universities tell them in the evaluations at a distance." Rosa said that "the universities know that if they lie, they risk losing credibility with FOMES for other occasions, so I think that simple evaluations have worked." However, it is obvious to the discerning reader that if the government does not know that the universities are fabricating information, they will not be able to sanction them, and therefore there is very little risk.

FOMES does not have short-term evaluations. Even though the participants repeatedly complained about having to report activities every year, some were convinced that evaluations are necessary and that it would be even better to have them more often.

Rosa qualified her comments by acknowledging that although she would prefer more frequent evaluations, she was aware that they cost money, and doing them more frequently would add to the expenses of an already expensive system, something she believed that the government cannot afford to do.

The participants pointed out their confusion when trying to understand what to do regarding evaluation. It was not clear to them how to report activities in a systematic and confident way; or in the event that it is clear, the government is unable to interpret the results properly because it does not have enough trained personnel. Those who were not confused about how to do the evaluations were fully aware of the government's inability, and rather than waste their time doing evaluations that would be rendered useless, they simply did not bother to do them. Juan pointed out the improvements in the system of evaluation, acknowledging that now they allow the president of the university to present the projects at conferences and provide public clarifications, which Juan believed allows better understanding and evaluation of the proposals.

According to the participants, the system of evaluation in Mexican universities is rather confusing, but personnel try to adapt or fabricate something in order to survive. As Kent (1993) explained, the mechanisms of evaluation are reduced to simulations; he pointed out:

> The Mexican system of higher education, which has developed in the absence of any real assessment culture, finds great difficulty in promoting genuine evaluation procedures and in avoiding a 'culture of compliance' and the consequent bureaucratic games. Further research is needed to determine to what extent evaluation is really taking hold within academic communities themselves and whether basic institutional practice and decision making are changing in the face of evaluation. Some institutions seem to be making an effort to develop useful evaluation procedures, although in many cases there is a great deal of *bureaucratic simulation*. (p. 81; emphasis added)

Kent's comment encourages thinking about the need for research in the area of evaluation, by questioning whether or not this mechanism is being used effectively. Although his comment does not directly refer to FOMES/PIFI evaluations, it provides a good general summary of the characteristics of the system of higher education and a broad description of the organizational behaviour towards the activity of evaluating. I have emphasized "bureaucratic simulation" because Kent confirmed my belief that the evaluations are often fabrications. My argument is that the need to evaluate and the "culture of accountability and assessment" have not effectively penetrated the field of education in Mexican universities. As shown here and in earlier chapters, it is evident that both the government and the universities have assimilated the needs for (and benefits of) evaluations, but the skills and knowledge to perform appropriate evaluations are still weak.

Another problem that can be deduced from the evidence is that the evaluations are reduced to diagnoses. As mentioned in the previous paragraphs, the university and the government both grasp the importance and necessity of evaluations. The government has special departments charged with evaluating universities (the CIIES, ANUIES, CONAEVA, etc.); however, such departments concentrate their efforts on diagnosing; they evaluate the university, make note of its conditions, and justify the support that it will or will not receive (Kent, 1993, p. 80). The problems that I perceive are a result of no effective follow-up with the universities after they have received support from a program and no evaluation of the efficiency of either the program or university concerned. In the words of Kells (1996), "Institutional and programmatic leaders have not often placed particular emphasis on the use of specific goals; the dominant culture is one of being rather than becoming" (Kells, 1996a, p. 243). Kells referred to the system of evaluation and how it tends to concentrate on input rather than output; in other words, there is little follow-up.

Punishment

Achievements

The idea behind punishment as a control technique is essentially that people do not enjoy punishment and will therefore try to avoid it. The interesting thing is that punishment is not actually a recurrent method used with the financial techniques, or at least not for repression. The rare use of punishment is probably wise because punishments are easily identified as an overt technique of control and have inherent, explicit types of violence. Incentives are more common because their "violence" is more covert (symbolic violence) and more effective in eliminating resistance. Foucault (1984b) defined a type of punishment that is less overt and less violent:

> The art of punishing, in the regime of disciplinary power, is aimed neither at expiation, nor even precisely at repression. It brings five quite distinct operations into play: it refers individuals actions to a whole that is at once a field of comparison, a space of differentiation, and the principle of a rule to be followed. It differentiates individuals from one another, in terms of the following overall rule: that the rule be made to function as a minimal threshold, as an average to be respected, or as an optimum toward which one must move. It measures in quantitative terms and hierarchizes in terms of value the abilities, the level, the "nature" of individuals. It introduces, through this "value-giving" measure, the constraint of a conformity that must be achieved. Lastly, it traces the limit that will define difference in relation to all other differences, the external frontier of the abnormal (the "shameful" class of the Ecole Militaire). The perpetual penalty that traverses all points and supervises every instant in the disciplinary institutions compares, differentiates, hierarchizes, homogenizes, excludes, In short, it *normalizes*. (p. 195)

FOMES policy is that, should a DES or university decide not to participate, it will receive nothing; whereas if it decides to participate and does what it is told, FOMES will provide it with money and technical support (Subsecretaria, 2001b). Therefore, the punishment is simply a lack of reward. Sometimes if a DES decides to participate, but not to do all that is required of it, it can also be "punished" by receiving only partial funding. The punishment is overt under techniques of classification, 'value-giving,' measures, and the like, as mentioned by Foucault (1984b) in the previous quotation.

Side Effects

The literature has shown that the when punishment is utilized, the institutions and its members tend to resist. The University of Knowledge has not been penalized by FOMES/PIFI, but the interviewees were able to provide examples of other universities in Mexico that were penalized and mentioned that they do not wish to face the same fate. In the interviews I noted that some participants expressed apprehension and asked me questions about whether or not I was from FOMES because of the fear that I was trying to entrap them pr get them to incriminate themselves or the university.

Capitals

In the chapter of theory I talked about Bourdieu and his description of the capitals valued within a field and about his analysis of capital hierarchization (Bourdieu & Wacquant, 1992). In this section, I posit that the PIs reveal which capitals are valued within a field, and I suggest that the field of education in Mexico now values credentials above anything else.

Credentials

Only PROMEP Profile Professors Work on Projects

In this case I perceive a shift in values regarding the capitals that count in the field of higher education. Although at one time professors were valued simply because they were professors, they are now valued according to their credentials and their intellectual production. The university obtains money through the professors with PhDs and recognition from national organizations of research such as the SNI. It is the professors with these characteristics who are allowed to participate in projects related to the development of the institution; it is they who aspire to participate in the programs of incentives and, consequently, have highly differentiated salaries. Credentials are therefore a clear indicator of the hierarchy of capitals within this field.

It is clear that the university values this type of professor, and I predict that the body of professors will continue to be transformed in the future. Such transformation will occur because it is not convenient for the university to have part-time professors, and most of the professors who are part-time now desire to become full-time (excluding the professors who work in law, medicine, and finance, for reasons that will be explained in the following paragraphs). Actually, the only support that these professors receive is to upgrade their academic level.[15] The only obstacle to the government's performing this change faster is that most of the part-time professors are unionized and have been at the university for a longer time, and therefore they have established "rights of antiquity," or seniority. The government's support of full-time professors is already changing the academic demographic at the university level, and although it will likely take a long time, the government is confident that the part-time professors will eventually be lured into full-time positions by the extra money available to full-time professors.

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[15] PROMEP is the program in charge of the teachers "actualization" or upgrading.

Side Effects

Profile PROMEP professors represent less than one quarter[16] of the professors at the University of Knowledge. The number available to work on FOMES projects is smaller still because some professors refuse to participate in all of the projects in order to spend time on their personal projects. Because there are insufficient personnel to work on the FOMES projects, the professors are encouraged either to involve people from the administration (this is the most common practice) or to contract specialists from outside of the university. All of the participants claim to have seen administrators (such as chairpersons of faculties and heads of departments) as leaders of the projects in which they had participated. On this issue Alfonso said:

> You ask me, why did I emphasize the issue of having the chairs of the departments working in FOMES projects? Well, because here is the first breaking of FOMES ideals: 'FOMES must be developed by a group of academics. . . .' Chairs can be academics, but at the moment they are holding a managerial and administrative position. However, if you follow the projects from 1998 until now, you will see that 90 percent of the projects have been led by chairs of faculties and departments. And they can say whatever, but the first rule of FOMES is broken. And well, if we broke that one, we can break others too.

Although Alfonso expressed his comment with a mixture of frustration and fatalism about the university not meeting FOMES' criteria, there is some truth in the fact that appointing chairs as leaders of projects is necessary to meet the needs of the projects. The university does not have enough PROMEP professors to work on projects and meet this requirement; thus chairpersons of the departments have often filled the position, a role to which they are well disposed, having the administrative experience and training. Camila explained some of the disadvantages that certain DESs have when trying to meet these requirements. She thought that it is not possible to have the same number of full-time professors with PhDs in all of the faculties of the university and provided the example of the faculty of health, wherein, she argued, the doctors need to work part of the time in hospitals, for it would be "disastrous" to have medical professors without experience and practice. Esperanza justified the attitude of the professors of the faculties of medicine, law, and business for not working full-time schedules for the university. She knew that the salaries provided by the university are comparatively low, which leads doctors, lawyers, and accountants to prefer the better-paying jobs available within their respective fields. She also felt that the professors in these fields view their jobs in the university more as hobbies and breaks from their actual professions than as main careers deserving of their total devotion. It is obviously more difficult to encourage them to participate in a project, because they do not want to commit their time to academic activities that provide far less money than they receive performing the activities of their fields. Finally, Alfonso also understood that this regulation is inapplicable in the sense that FOMES is designed to support the activities of the universities with lower conditions of development. Thus universities with lower incomes cannot have only PROMEP professors, because being in such a situation of wealth would mean that they do not need FOMES funds.

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[16] In order to keep the anonymity of the University, exact statistics are omitted.

Camila commented that the limitation of professors' participation to a certain curriculum is overwhelming to these professors:

> In a system that only values the participation of the professors with a profile PROMEP, these types of professors suddenly find themselves immersed in all type of projects and trying to satisfy all type of rules and demands. The consequence, therefore, is that we are killing them.

We can also infer that the rule of having a certain type of professor work on monetary projects perhaps ignores the fact that the number of these professors is disproportionately small compared to the whole body of professors in the university. In other words, because of the professorial demographics (the ratio of PROMEP to non-PROMEP), the largest amount of work falls upon the smallest number of professors. Consequently, these professors are living in an exploitative system in which they are utilized as tools to obtain subsidy.

Habitus: Thoughts and Perceptions

In the third chapter I explained the techniques that are used to achieve control. I also described the consequences that theoreticians predict will occur as a result of using such techniques. Bourdieu and Wacquant's (1992) descriptions of habitus, field, and capitals were used to describe the consequences of the use of financial techniques. I explained that the activities, behaviours, attitudes, and thoughts of people are transformed according to what they perceived as valued. In order to shape the participants' perceptions of what is valued and how they perceive the direction that the authorities want them to take, they utilize the series of mechanisms described earlier. Once the people within the field under transformation and control understand and incorporate the mechanism of governance, they start displaying behaviours consistent with the techniques being used. In this section of the chapter I explain and exemplify what Bourdieu and Wacquant described as a transformation of the habitus (the perceptions of the participants). I also explain the unexpected consequences; that is, when the habitus is transformed in a contradictory way.

New Vocabulary

A sign of the internalization of financial techniques is the language used by the participants to describe processes and activities. The language, the thoughts, the perceptions, and the way in which the participants suppose that things should work are symbols that help us understand the degree to which they have been involved within the new policies (Bourdieu & Wacquant, 1992, p. 42) and how much of the techniques they have assimilated. While interviewing my participants, I encouraged them to express their opinions about the processes that are currently being used. I was then able to gather their perceptions and the words they used to express them, which I needed to do this analysis. The following paragraphs summarize my findings in this area.

When talking with Roberto about how they receive the resources for the transversal project in which he is involved, he explained a series of administrative procedures.

> Depending on the amount of money to be spent, one knows what to do. For costly purchases one must compare the prices of the various providers of the product. Making these comparisons is a mandate contained in a financial law that I am not very familiar with. We make a meeting with the providers, analyse their offers, and later we make a decision on what to buy, and we are informed why we got that.

He emphasised that the activities of FOMES projects are divided into four levels: diagnosis, plans, strategies, and actions, in which one must perform financial activities. He also complained that the processes involve a great deal of paperwork, long bureaucratic procedures, and several administrative requirements.

In her interview Camila protested the ways in which government provides the ordinary subsidy, pointing out that it tends to forget or to ignore some important details when allocating money on a per-student basis. She also used numerical calculations to rebuff the arguments of the government: "It is not the same to study law as to study dentistry. While a law student costs [the institution] one peso, the student of dentistry costs three pesos, at the very least." Her comment illustrates that the people in the university have learned and adopted the calculation game and that they are using it for arguments, decisions, and activities.

When I asked Esperanza questions about FOMES' resources—about the government's method of allocating resources and evaluating university activities—she responded to the three questions I asked by saying that those issues were not open to question, that the university has no choice but to adhere to the way that FOMES does things. Her comment was:

> I would say that it is not a question if the university decides to opt for the extraordinary subsidy given by PIFI. . . . The university assumes the rules, or it does not get extraordinary resources. . . . In that way, when the university decides, it adapts itself.

My next questions, "What do you think about the pre-established formats of evaluation? Do they adapt themselves to the university's reality?" received the following response: "The institution adapts itself to the format; . . . that is not a question." My perception is that Esperanza sees FOMES processes as natural, as normal. I think that her perspectives have been normalized by FOMES rules, and she is thus unable to question what is happening.

Other examples of internalization are found above where I discuss evaluation. The participants desire to talk about evaluation, and the limits of this technique reflect a level of internalization. Although they clearly exemplify the weaknesses of the system, their comments demonstrate the strength of the system.

Habitus: Behaviours and Practices

New Practices

We live in a time when everything is counted because of a strong belief that numbers provide knowledge and that knowledge gives power: power of decision, power of control, power of influence, and so on. The university and its members, in order to survive, had to learn accounting skills and management techniques, causing them to become conversant about not only knowledge and culture, but also management and finances. In fact, as Camila pointed out, professors now spend most of their time administrating.

The professors construct budgets because FOMES projects are precisely that, budgets. When a professor sees a need, then a plan to meet the need needs to be developed. Such plans are verbal and numerical descriptions of what the need is, what is necessary to satisfy those needs, and what the consequences of those needs being met will be. Whereas to the average Western reader this might make sense and not seem controversial, the process caused a great stir in Mexico. The professors working in the universities 12 years ago did not have much involvement in management activities. Then these types of activities were almost exclusively the domain of administrators and accountants, but nowadays the professors must spend a great deal of their time on these activities, because the university's mandate is not only to transmit culture and create knowledge, but also to manage.

When I asked my participants to describe what the processes to request FOMES funds are, they revealed a series of accounting techniques and activities that originated in the field of business. Alfonso explained that with a pre-established format the professors have to write the name of the project, describe its needs, justify the relevance of solving said needs, and set the goals and actions needed to achieve those goals; in short, to make "strategic" plans. They have to do the above both generally and particularly, which includes the development of budgets; and in order to develop budgets, they have to investigate and compare prices. Roberto related that for the elaboration of the transversal project (providing equipment for a certain area of the university), they had to do an inventory, complete with diagrams of the area, of the university's equipment; and they had to describe the conditions of the existing equipment and justify why the equipment needed to be replaced or why more was needed.

Evaluation is a form of counting, of measuring the achievements of a program, and it is also a form of classifying and disciplining (Foucault, 1984b, p. 197). FOMES promotes self-evaluation processes, and the government usually designs and issues evaluation forms that the professors have to complete. When talking with Camila about evaluation tools, she shared that although FOMES and other government programs have their evaluation tools, the University of Knowledge is developing its own evaluation system to perform internal assessments. She did not like external evaluations because often they are very inflexible and tend to skip important information, and she thought that having internal tools of evaluation would allow them to show FOMES that what it is doing is wrong. Evaluating is an activity promoted by financial programs, for, as mentioned before, evaluation produces information useful to support decisions. That the University of Knowledge incorporated this measure to dispute the government's information about it is a sign of the adaptation of trends promoted by the government. Camila, as a leader at the University of Knowledge, showed her assimilation of the methods *du jour*, despite not actually being required to perform evaluations for the University of Knowledge, she internalized the need for evaluations and is trying to extend and implement FOMES ideas for other areas of the University not necessarily related with FOMES.

The utilization of budget, planning, evaluation, numeric techniques, as well as the adoption of new vocabulary, studied and exemplified in this chapter, are some of signs to prove that the field of education has transformed its cultural nature to a more financially driven role. The effects are discussed in the proceeding paragraphs.

Habitus: Side Effects

When an agency of any sort uses too many control techniques, or a few techniques, but with excessive force, the people in the field will eventually comply, but only symbolically. When faced with overwhelming tasks, those asked to adhere to the policies will appear to have adopted them, whereas in reality they have not changed their views or beliefs. This apparent compliance allows them to think and work as they would like, while deceiving the imperial agency into continuing with the incentives. In the case of the University of Knowledge, the professors and administrators fabricate information for FOMES and, when necessary, do as FOMES asks, thus providing a façade of total compliance. Preston, Cooper, and Coombs (1992) described the concept of fabrication as having three images:

> The first image concerns the building of the technology, how a budgeting system can be designed and produced in order to meet "specification." . . . The second is the fragility of the technological product—the fabricated system can easily collapse if insufficient resources and care are committed to its maintenance. And the third image of fabrication concerns the machinations, promotion and selling of the technology—for example, convincing sceptics by using language and rhetoric

> to produce convincing stories about the purpose and effects of the budgetary system. (p. 565)

In a sense, the personnel of the University of Knowledge are playing a game that could be a strategy to meet the requirements of FOMES policies, which, as explained earlier, sometimes are beyond the capabilities of the university. It could also be a strategy to break the stratified structures: if those who do not have the capital to survive in the field do not receive support to obtain it, they will never be able to change their positions. Thus, fabricating information is a strategy to rise above their level in a stratified structure. Another reason for using strategies of fabrication could be that doing so allows them to maintain some of their autonomy by building a barrier designed to prevent FOMES' coercive policies from taking complete control of their individual will.

The professors and administrators at the University of Knowledge have learned the rules of the game and have created their own rules to survive, avoid, or resist the changes that FOMES would like to institute, as much and as often as possible. Alfonso's frustration and reluctance to comply were evident when he said:

> I think it can assume either an attitude of cynicism or an attitude of sincerity. Ideally, it would be explicit and say, "Look, everybody, the policies demand this from us. Thus we will build two projects, the project that FOMES wants and the project that we want," and in this way to comply with FOMES without forgetting about our interests. But that is difficult to do because it requires consensus, and it is very difficult to achieve it in this university. The other alternative, which is the most common in this university, is to believe it—to believe that you are actually achieving something, to believe that after developing plans, strategies, policies, goals, objectives and all that a project requires, you will actually improve, which is not true. But you can believe it and consequently avoid problems.

Although Alfonso believed (with some disappointment) that the university has provided little resistance, the desire to do "the project that FOMES wants" and to "comply with FOMES without forgetting about [their] interests" is clearly stated. He said that the perfect situation would be one in which the university does just enough of what FOMES wants to remain in FOMES' favour, and then continues to do what it would prefer to do. Alfonso was not the only participant to think along the lines of creating a façade of compliance. In the excerpts of conversations with Camila that I provided in this chapter, I also recognize that fabricating information is an activity that the university practices. Camila's most significant comment on this respect was as follows:

> The effects generated by a system that functions based on incentives are pernicious, wanting to solve a problem [the willingness to participate]. They generate worse problems like fabrication of documents, lies, denaturalization of the university by changing its focus on science and culture for management and incentives.

Conclusion

In this chapter I have provided an analysis of the consequences of financial policies seen from a double perspective: expected and unexpected. I listed three elements that I believe form financial policies: the techniques utilized to fulfill the policy, the capitals needed to participate from the policy benefits, and the habitus or mental schema that people develop to fit their minds within the policy paradigms. I discussed each of the characteristics of these elements, described them in detail, and, supported by my participants' opinions, analyzed the consequences of the financial policies.

In the section on financial techniques I gave seven examples of financial techniques: fragmentation of resources, informing techniques, incentives, performance indicators, planning and punishment. I found that, although FOMES policy regulations have made a considerable effort to subjugate and control university behaviours, they are very narrow in scope, tending to forget people's will and individual techniques of resistance. In the section regarding capitals valued within the field, I provided specific examples of the goods valued and rewarded within the field of higher education. I explained that some departments are at a disadvantage compared to others because of unequal amounts and different types of capitals valued within the field, and I analyzed the consequences of classifying and hierarchizing certain type of capitals over others. When discussing the habitus, I explained how managing a field through certain philosophies, regulations, and policies helps the people within it construct a perspective that influences their expectations, shapes their perspectives, and even affects their vocabularies. This discussion about the habitus is crucial in demonstrating the unconscious responses of people within the field—unconscious because it is difficult to frame one's own thoughts within a specific policy, but language, thoughts, and perceptions reveal the degree to which policy has been internalized in the individual's mind.

The explanation of expected and unexpected consequences showed the practical essence of the policy and that there are always details that escape the control techniques, which results in the application of the control techniques being double edged.

In the following, last chapter, I provide a more detailed analysis of the findings of this study and general recommendations for the application of my findings.

CHAPTER 7

CONCLUSION

This chapter concludes the findings of this thesis. In order to best bring this work to a close, I have divided it into four sections. The first section discusses the research questions of the study and provides a synopsis of the findings of each chapter, the second describes the contributions of this study, the third talks about the limitations of the study, and the fourth contains my final thoughts.

Research Questions and Findings

This thesis examined two questions:

1. How have government financial policies for higher education changed over the past decade?
2. How was the University of Knowledge interpreting the financial policies of FOMES/PIFI?

I first approached these questions through a description of the current scenario of the institutions of higher education and the conditions and events that contributed to its actual state. In this stage I discovered that the institutions forming the system of higher education are differentiated by the type of education they offer, whether vocational or professional, and by their sources of finance, whether public or private. I explained that the most meaningful transformations within this system responded to three motives: demographic, political, and economic.

Demographics are an issue because Mexico's population dramatically grew during the past century, producing an increase in the demand for education. Economically, as a result of scarce economic resources and the increased demand for education, the country was forced to look for external sources of financing and for new strategies to rationalize the amounts allocated to this social sector. And finally, politically, because of the compromises acquired with foreign organizations through monetary loans and the historical economic constraints, the government changed its policies, creating and adopting new strategies to allocate resources to education. A result of the new policies was the introduction of a series of programs to allocate resources by category through a meritocratic methodology for the public institutions and the reduction and simplification of the requirements and criteria that regulate the private institutions, enabling owners to open more and cheaper private schools. The consequences of these policies were examined within this thesis.

Chapter 3 addressed the initial questions, and in it I noted that using strategies to manage the system of higher education through financial laws is a global tendency. In the literature I found that governments around the world are shifting their role in education from a paternalistic and unconditionally supportive position to decentralization of the support, allowing external institutions to provide partial, conditional support. The governments have also been trying to change their relationships with the universities from being wholly confident in what the universities report and unconcerned about information and details to requiring more vigilance, control, and accountability.

Armed with the context provided in the second chapter and the theory from the third, I found that the condition of the Mexican system of higher education makes it more vulnerable and thus amenable to adopting financial mechanisms. In the 1990s the country had little money, high demand for education, suspicions about how the activities of the field were being performed, and little idea of how to resolve the issues. Out of desperation, the administrators turned their eyes toward the financial mechanisms spreading around the world and across institutions of different genres and saw that the mechanisms were well suited to the hopes of the Mexican system. In the third chapter I posit that through homogenization processes (coercive, mimetic, and normative), the government and the institutions of higher education in Mexico adopted the financial techniques that were utilized in other institutions in other parts of the world.

Out of the need to prove my theoretical speculations, I developed a methodology to approach the empirical information, and in the fourth chapter I stated that this would be a qualitative research project and described the methods to be used to approach the initial research questions. I informed the reader about the selection of themes for the interviews, how I conducted them, and how they were analyzed. I also explained the need for the confidentiality of my participants and discussed the methods and strategies utilized to ensure the validity of this study.

In the fifth chapter I examined the first portion of empirical data. I provided information about the historical reforms of FOMES/PIFI and described the characteristics, objectives, requirements, and the rules it sets for the universities to obtain money from them. I also described in a chart (Figure 3) the process of building projects for FOMES/PIFI funds as seen from the policy perspective and contrasted it with another chart (Figure 4) of the process from my participants' perspectives. The main focus of that chapter was to analyze FOMES/PIFI as a financial mechanism by identifying the financial techniques it adopted. This chapter identified the practices and elements of FOMES policies and noted how the rules and essence of the field of economics are very evident in the expectations, methods, and strategies stated in FOMES policy documents and operational guides. The contrast between the two charts provided the opportunity to introduce the discussion of the sixth chapter, wherein I talk about the consequences that escape the policy expectations and use charts to show that the processes proposed by policy documents tend to change and be adapted to better meet the possibilities and desires of the university.

In the sixth chapter I include an analysis of my participants' opinions and interpretations of FOMES/PIFI financial policies. In that chapter I demonstrated how with the adoption and implementation of the new financial techniques, several changes took place at the University of Knowledge. For example, the members of the university became more skilful in managing the institution from an economic perspective. The results of the new skills to survive in a system that required them to be more accountable were an inclusion of new words and perspectives to describe their world, a subjugation to the laws of finance, a willingness to be seen and watched, more worry about efficiency, and greater compliance with evaluation techniques.

My description of the transformations should not be misunderstood or interpreted to mean that the universities have followed the directions proposed by the policy and transformed themselves accordingly. As explained in the previous chapter, the effects of the financial policies have taken various directions and produced different types of results. Although it is true that financial policies and performance indicators have managed to direct, focus, frame, stimulate, and delimit the activities of the university members, it is also true that they have reduced their creativity, limited their flexibility to face and solve the everyday circumstances, encouraged fictitious compliance to satisfy the system demands and meet their personal desires, and changed the motives for which the people at the university work.

Financial policies have produced a series of results that I previously classified as expected and unexpected. However, in order to classify and qualify such transformations, one must take a position. For example, if one thinks from the university's and its members' perspectives, the effects have possibly been detrimental because the professors work and subject themselves to the policies in order to obtain the money and the incentives and not necessarily to benefit the university, and because the university has lost its freedom to solve its problems according to its needs by subjecting its activities to standardized methods of planning, management, and evaluation. If one thinks from the government's perspective, one might think that FOMES has been successful in that it has managed to control the university's activities by having its members adopt the program "suggestions," by having them follow the "proposed" methodology, and by making them more accountable and thus knowable.

The varied directions and consequences that FOMES/PIFI financial techniques produce in the field are contradictory: whereas one observes that there is a great deal of pressure to transform the university practices, the side effect of resistance is also evident. Because of such practices of resistance, I was initially hesitant to conclude whether or not the system was being transformed; however, after much deliberation and analysis, I have concluded that the system has indeed been transformed, for, if not, the people within the field would not need to display resistance behaviours if the financial techniques had not taken place. It is my conclusion that both non-resistant and resistant behaviours are transformations within the system resulting from the implementation of financial techniques. There might actually be other consequences and transformations yet to be discovered that need more time to be noticeable or are visible only in hindsight. Those formerly mentioned are those that are evident today.

My recommendation to help avoid the negative, unplanned consequences to the administrative position is thus: FOMES policies should be less narrow in scope and application, not only for control and accountability but for the actual betterment of the institution, its employees, and its students. I came to this recommendation based upon the data analysis and the comments of Bruneau and Savage (Bruneau & Savage, 2001), who discussed the tendency of current policy makers to have more concern for the financial bottom line than for the actual institutional and organizational health on a holistic level. It is clear from the documents, theories utilized, and comments of the participants that the Mexican government is more concerned with saving money than with helping the University of Knowledge meet its mandate of culture and education. Improvement as seen by the government means efficiency rather than proficiency.

Even though this study constantly posits strong critiques of the financial system of higher education for its increasing emphasis on control of resources and its decreasing care for education itself, it must be clarified that I do not completely disapprove of the utilization of financial techniques as means to better manage resources. I believe that the advances in knowledge and accountability can be applied in the field of education, as long as they do not alter the nature and objectives of the field. What I found is that the reliance on professors with Master's and PhD levels of education to perform the accountability activities of the institutions, is affecting not only the professors that fall within this category but the institution in general. PROMEP profile professors are wasting the time that should be spent in educating new generations and in doing research and producing new knowledge, performing activities of administrators. These activities, apart from being overwhelming and not welcomed, affect the institution, the students, the other types of professors, and the society.

The institution is affected because the strongest academic group (profile PROMEP professors), dedicate their times to administrative activities and forget about research, service to society and knowledge. An institution that has weaknesses in these three areas has low prestige. Profile PROMEP professors can get all sorts of equipment and obtain economic resources but if most of their time has to be devoted to administering the obtained resources, they do not have time to really get adequate academic use of what was obtained.

Part-time professors and professors with low academic levels are affected because their salaries are very low and there is little expectation for them to increase because higher salaries are obtained through incentives that extraordinary programs of subsidy give. These types of professors are affected because their intervention in educational problems is reduced to the classroom level and their participation in the programs of subsidy is not taken in account.

Students are also affected because qualified personnel to teach them are distracted and occupied by financial projects and administrative work, giving the impression that the performance of the students is of little interest or if they are interested in the students, they do not have enough time to devote to the improvement of students. Researchers and students then have a distant relation or in the better cases, a very limited relationship.

And finally, society is affected because the priority of education shifted from serving society to serving financial supporters. And since the funding from the society and students are very low, the university has little internal preoccupation to satisfy social needs.

Therefore, what I suggest is that the responsibility to get funds for the institution henceforth be not solely confined to a small group of professors and administrators but to the different groups of actors at different levels. It also would not be bad if the university hires specialized personnel for major administrative activities, so that the responsibility of profile PROMEP professors is refocused where it should be, on research and the classroom.

Contributions

I hope that this thesis, the questions it raises, and the answers it posits are thought provoking and that it serves to open up the discussion surrounding the funding of higher education in Mexico. The issues discussed and analyzed are of consequence not only to the government, but also, of course, to the personnel and students who attend the University of Knowledge.

This research has added to the understanding of the use of financial mechanisms. We now know that there are always uncontrollable events resulting from the application of financial policies and that before the financial techniques are applied in the way that the government and other institutions have applied them, it is necessary to decide whether or not the potential gain is worth turning the university into a marketplace institution.

I believe that the information contained in this study should be of help to those in government positions because it provides a broader view of the consequences of the utilization of financial policies. I am confident that the findings of this research will be welcomed by the Mexican government and by FOMES/PIFI because they will expand their understanding of the scope and consequences financial techniques and contribute to the improvement of the financial policies in the country. I suspect that the government can interpret and utilize the information of this study in different ways. For example, it can analyze its weaknesses as a controlling party and strengthen them so that its policies do not have weaknesses. But it can also balance the benefits and prejudices and implement new policies that, apart from control, are concerned with the educational role of universities. New policies that, instead of being so worried about quantitative activities, put major emphasis in qualitative measures.

Professors and personnel at the university could also use the information provided herein in two ways. After acquiring better knowledge of the ways in which the government and the different external agencies are trying to control them, they could try to develop different methods to beat the system, to resist external policies or even to subjugate themselves to the policies. However, they could instead visualize and analyze financial tendencies and from their positions and with their experiences, help the government improve its techniques.

The private sector and the other external participants likewise could have two different reactions to the information of this study. They can strengthen their financial techniques so that there is no place for fabrication or circumnavigation of rules, but they can also work to include new policies that place higher value on the elements and activities of cultural capital within the field.

I expect that by approaching the policies and mechanisms of finance in the University of Knowledge from the perspective of an *outsider*, the personnel and members of the university will be able to use my external perspective to answer their questions about how they "look." I hope that the "pictures and images" provided in this thesis will allow the members of the university to impartially see their development in the funding programs and will provide knowledge for them to understand and improve the processes in which they are immersed.

Last, I believe that this research will be of relevance to all the actors involved in the system of higher education in Mexico, as well as to other fields and jurisdictions. As mentioned earlier, the tendencies to become financially driven have increased legitimacy and popularity of the policies in Mexican higher education and elsewhere, and that legitimacy and popularity raise issues such as those discussed herein, increasing the relevance of my work.

Research Limits

This thesis contributes to our understanding of the uses of financial mechanisms in the field of higher education in the Mexican context. It most be remembered that further research is needed to transfer the findings to other contexts. This research is limited to the analysis of the uses and consequences of the financial mechanisms of one financial program in one Mexican university. Furthermore, the findings in this research are based upon the perspectives of six participants and various literature and documents.

Thus, what the reader finds here are the perceptions of a small number of people; such perspectives may change if one modifies the population and context of this study.

When describing the limits of this research, it is important to clarify that the limited perspective that a case study offers does not mean that the information is less valid or less real; it just means that it is specific to a certain setting and that its limits reduce the possibilities of application in other settings. Nonetheless, I hope that these findings and recommendations ignite an interest in the area of institutional reform and the ways in which financial mechanisms and control techniques have been used within those processes.

Final Thoughts

When considering the findings of this thesis, one may think that the Mexican government is an authoritarian agent with capricious intentions of control and power. What must be remembered is that the government was forced into the position of having to use financial techniques as a mode of control and as a justification of the reduction of resources that it could no longer subsidize. Reforming the system of higher education was necessary, not only to save money, but also to have some control over the activities of the institutions; however, the way in which financial techniques are being utilized to achieve the reforms is reduced and limited. In order to improve its scope and effectiveness, FOMES/PIFI should extend the emphasis on numerical indicators to a more qualitative and humanistic system. In their desire to make everything accountable, they are forgetting about the essence of education.

I think that by using the techniques and language of the field of business, the government is attempting to instil some sense of frugality and accountability into the field of education so that money will be better spent, and those spending the money (the administrators and the professors) will be more cautious with their spending. After all, being accountable is the trend of our times, and these institutions believe in the economic benefits of it.

When the success of the control techniques is measured, a sort of paradox emerges. It is a paradox in the sense that the government has succeeded in achieving control over the personnel, bringing the spending under control, and improving the quality of the universities. However, it is a failure in the sense that the compliance is often symbolic, that the personnel are discovering ways to "beat" the system, that the personnel are, by and large, displeased with the changes, and that the personnel have not accepted the government's plan as worthy of their support. It appears that the participants are accepting the changes reluctantly, not fully appreciating the situation in which the government finds itself. Some apparently realize the situation but disagree with the method and would like to be consulted on a more egalitarian, less overwhelming method of control and finance.

Regarding market-based theories, the participants pointed out that these theories are not always easily transferable to the educational sector, and when transferred, they are not always beneficial. The forced application and assimilation of business techniques are distracting the professors and administrators who make up the human side of the university from the university's primary mandate of providing an education. According to the comments made in the interviews, the government's techniques are not overwhelming successes, sometimes barely anything more than successes on paper alone. There must be a better way of reforming the educational sector in Mexico. Perhaps when the government of Mexico "reforms the reforms," it will allow the incorporation of more qualitative methods and measures in such a way that the people and their practices are seen in a more humanitarian fashion.

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APPENDIX A

LETTER OF CONSENT

Appendix A: Letter of Consent

My name is Elizabeth Ocampo Gomez, and I am currently completing my Master of Educational Administration degree in the Educational Administration and Leadership program at the University of Alberta, Canada.

My thesis, under the supervision of Dr. Dean Neu, examines how the extraordinary subsidy policies of the Mexican Ministry of Education impact on and are interpreted by the University of Morelos. I expect that this study will help us to better understand the effects that this funding policy has had on Mexican universities. Given that extraordinary funding has become increasingly important for all Mexican universities, the study will help administrators at the University of Knowledge and other universities to assess the impact and consequences of such policies.

I am asking you to participate in this study because I believe that your position and experience gives you a unique level of knowledge and understanding vital to the success of this study. I would like to interview you during a time I will expend in Mexico. Please respond either in the positive or the negative to me by November 15, so that I am able to plan accordingly.

It is my sincerest hope that you will participate in this study, as I believe that my thesis has the potential to help us to better understand the effects of these types of policies and how we can better adapt to them within the university. I wish to assure you that the data gathered during this research project will only be used for research report writing purposes. The name of the university as well as the names of individuals interviewed will be remain anonymous in all written reports. Additionally, you have the right to withdraw from the research study at any time simply by sending me a written letter or an e-mail at eocampo@ualberta.ca.

If you have any questions or concerns, please do not hesitate to contact me at eocampo@ualberta.ca or my advisor, Dr. Dean Neu at dneu@ualberta.ca. We both can be reached at the university by telephone: I can be reached at 001-780-438-5427, and Dr. Neu can be reached at 001-780-492-7319. You signature below indicates that you have read and understand the information provided above, and have decided to participate in this study. Thank you for your time and kind consideration. I look forward to meeting with you.

Sincerely,

Elizabeth Ocampo Gomez
MEd Candidate

Dean Neu, PhD, CA
Professor of Educational Finance

I ____ (please print name) agree to participate in the thesis study about the impact of funding and financial policies on the University of Knowledge as part of a study being conducted by Elizabeth Ocampo Gomez from the University of Alberta, Canada. I understand that pseudonyms will be used in any reports, and I also understand that I am free to withdraw from this study at anytime by simply sending an e-mail to Elizabeth Ocampo Gomez at eocampo@ualberta.ca indicating that I wish to withdraw.

________________________________(Signature of Participant)_____________(date)

________________________________(Signature of Researcher)

APPENDIX B

INTERVIEW THEMES

Appendix B: Interview Themes

A. History
   1. Their first experience with the program of funding (FOMES)
   2. The activities they have noticed that have changed since the program first appeared

B. Explanation of the way in which they build projects for FOMES
   1. Steps to start a project
   2. Time to build the project
   3. Time to receive response
   4. Who is participating in building FOMES projects?
   5. Explanation of activities to administer FOMES funds

C. Leaders
   1. Appointing representations
   2. Profile
   3. Tasks

D. FOMES workshops
   1. For what?
   2. Description of the information received
   3. FOMES rules
   4. Similarity of University rules with FOMES rules
   5. Their evaluation of FOMES policies

E. Criteria to approve projects
   1. What types of projects are approved?
   2. What types of projects are rejected?
   3. How does FOMES communicate its resolutions towards the different projects?
   4. How satisfactory are FOMES explanations about its resolution to the different projects?

F. When projects are financed
   1. How is the participation of those that are supposed to participate?
   2. Techniques to stimulate the participation of the members of a project
   3. Incentives
   4. Punishments

G. FOMES/PIFI
  1. Transformations and discourses to justify them
  2. How are projects designed presently and how does this differ from previous FOMES rules?
  3. Their understanding and interpretations of the fusion of FOMES with the other programs of extraordinary subsidy

H. Changes in the University of Knowledge
  1. Its adaptation to the new practices of planning
  2. Its adaptation to the new practices of managing through financial techniques
  3. Adaptation to the culture of evaluation
  4. Resistances

I. FOMES mechanisms of accountability
  1. Description of the type of evaluations
  2. How do the people report activities?
  3. Tools of evaluation

J. Satisfaction with FOMES
  1. The university's evaluation to FOMES policies
  2. What do they appreciate?
  3. What would they change?

K. Final opinions

I selected the above themes so I would be able to be flexible when performing the interviews, adapting the questions to the answers being received. In each section, new themes appeared resulting from the responses given to the questions, which led to new questions, so that understanding of the new themes would be reached. This happened as a result of the flexible selection of themes, and because, rather than simply asking them for their opinions, I was asking them to describe their opinions and experiences with FOMES.